



Department of
Education

Charter Schools

***Replication Application for
Existing Tennessee
Operator Proposing Exact
Focus/Grade Structure:
Memphis Business
Academy Hickory Hill High
School***

Opening in the 2020-21
School Year

Commissioner, Dr. Penny Schwinn

Table of Contents

APPLICATION COMPLETION AND SUBMISSION INSTRUCTIONS.....	3
• <i>Submit original application</i>	4
GENERAL INFORMATION.....	6
ASSURANCES	8
Executive Summary.....	10
SECTION 1: ACADEMIC PLAN DESIGN AND CAPACITY	12
1.2 Enrollment Summary	12
SCS 2019 Application Supplement	15
1.12 Community Involvement and Parent Engagement (after school opens).....	19
1.13 Existing Academic Plan (for existing operators)	21
1.14 Performance Management (for existing operators).....	23
SECTION 2: OPERATIONS PLAN AND CAPACITY	29
2.11 Network Vision, Growth Plan, & Capacity (for existing operators).....	29
2.12 Network Management (for existing operators)	34
2.13 Network Governance (for existing operators).....	38
2.14 Charter School Management Contracts (for existing operators, if applicable).....	40
2.15 Personnel/Human Capital - Network-wide Staffing Projections (for existing operators)	41
2.16 Personnel/Human Capital – Staffing Plans, Hiring, Management, and Evaluation (for existing operators)	42
SECTION 3: FINANCIAL PLAN AND CAPACITY	46
3.4 Financial Plan (for existing operators NOT required to complete Sections 3.1 and 3.2	46
SECTION 4: PORTFOLIO REVIEW/PERFORMANCE RECORD (FOR EXISTING OPERATORS)	51
4.1 Past Performance.....	51
ATTACHMENTS	56
Attachment G: School Organizational Chart.....	57
Attachment L: MBA Annual Report.....	58
Attachment M: Network Current Organizational Chart.....	90
Attachment O: School Budget	91
Attachment P: Budget Narrative	121
Attachment Q: Network Budget	123
Attachment R: Achievement and Growth.....	128
Attachment S: Portfolio Summary	133
Attachment U: Financial Statements	135
Attachment W: SCS 2019 Application Supplement	235
Attachment X: MBA Board of Directors By-laws	236
Attachment Z: Original Application for MBA High School.....	243

APPLICATION COMPLETION AND SUBMISSION INSTRUCTIONS

Introduction

This application is designed for use by for all new charter schools in Tennessee including new start charter schools, existing Tennessee operators proposing to replicate an exact model (including focus and grade levels) of an existing school, existing Tennessee operators who would like to change their focus and/or grade structure, or existing charter school operators who are not yet established in Tennessee. A **separate** application shall be submitted for each proposed school.

NOTE: The Achievement School District (ASD) has a separate process for chartering schools, outlined [here](#). Do not use this application if you are applying to the ASD.

Before starting a charter school application, sponsors should:

- Review all elements of the [Tennessee Public Charter Schools Act](#) (Tennessee Code Annotated Title 49, Chapter 13).
- Review the startup guides, reference guide, timeline, FAQs, and other materials available at <https://www.tn.gov/education/school-options/charter-schools/charter-school-application.html>
- [Contact](#) the LEA which will receive the application to find out any local guidelines for applicants. Several Tennessee LEAs have, as a means of defining what they believe are “the best interests the pupils, school district or community,” (T.C.A. § 49-13-108) outlined specific priorities they ask sponsors to address in applications. Sponsors may choose not to address any of those priorities and, if denied for failing to do so, may appeal to the State Board of Education. However, because Tennessee charter schools “operate within a school district structure,” seeking to align interests early on is likely to increase “accomplishment of the necessary outcomes of education.” (T.C.A. § 49-13-102).

The table below should be used to determine which sections of this application must be completed.

Applicant Type	Description	Required Sections
New-start applicant	Operator with no existing schools	<ul style="list-style-type: none">• Academic Plan Design and Capacity: 1.1 through 1.12• Operations Plan and Capacity: 2.1 through 2.10• Financial Plan and Capacity: 3.1 and 3.2
Existing Tennessee operator proposing new focus/grade structure OR Existing non-Tennessee operator OR Existing ASD operator to a non-ASD authorizer	Operator with existing schools in Tennessee proposing to change their focus and/or grade structure OR Operator with existing schools outside of Tennessee OR ASD Operator with existing schools in Tennessee proposing to another non- ASD	<ul style="list-style-type: none">• Academic Plan Design and Capacity: 1.1 through 1.14• Operations Plan and Capacity: 2.1 through 2.16• Financial Plan and Capacity: 3.1 through 3.3• Portfolio Review and Performance Record: 4.1

Existing Tennessee operator proposing exact focus/grade structure	Operator with existing schools in Tennessee proposing no change in focus or grade structure	<ul style="list-style-type: none"> • Submit original application • Academic Plan Design and Capacity: 1.2, 1.12, 1.13, and 1.14 • Operations Plan and Capacity: 2.11 through 2.16 • Financial Plan and Capacity: 3.4 • Portfolio Review and Performance
---	---	--

Existing Operators in Tennessee Applying to Replicate Exact Focus/Grade Structure:

A Tennessee operator requesting replication must:

- Be in compliance with all local, state, and federal laws and their existing charter contract;
- Be in at least Year two (2) of operation in Tennessee; and
- Provide student performance data analysis from state assessments, including but not limited to: TCAP/TN, Ready Achievement, EOC, and ACT.
- TVAAS Data

Contents

A completed application shall include the following:

1. General information;
2. Assurances form signed by the authorized agent of the public charter school sponsor;
3. Application narrative that addresses each applicable section;
4. Projected budget; and
5. Applicable attachments.

Format

- The application, excluding attachments and budget worksheets, may not exceed 250 pages. For existing operators in Tennessee applying to replicate exact focus/grade structure, inclusion of the original application does not count towards the 250-page limit.
- Hard copies of the application should be placed in three ring binders, with the front cover and spine labeled

with, at minimum, the name of the proposed charter school.

- Each section of the application should be tabbed and clearly labeled according to the table of contents.
- All pages in the application (after the table of contents) should be numbered sequentially (e.g., 1 of 178).
- Applicable attachments should be clearly labeled and referenced as appropriate in the narrative.
- The electronic copy should be an exact version of the hard copy and should be submitted as one PDF

document including all attachments and the budget. In addition, one excel version of the budget worksheet should be attached.

Filing

A completed application must be submitted to the charter authorizer and the Department of

Education by the close of business on **April 1**. When amended applications are submitted to an authorizer, one electronic copy must also be submitted to the department. *Note: Tennessee law provides that when the April 1 deadline falls on a Saturday, Sunday, or State observed holiday, the application materials are due to the State on the next business day.*

Applicants may be required to submit up to five (5) hard copies, and one electronic copy of the application materials to the authorizer. Authorizers may charge an application fee of up to \$2,500 per school.

Electronic copies may be submitted to the department via email, online file transfer service, CD, USB drive, etc. Please submit applications to the department using the contact information below:

Email: charter.schools@tn.gov

Mail: Director of Charter Schools
Tennessee Department of Education
9th Floor – Andrew Johnson Tower
710 James Robertson Parkway
Nashville, TN 37243-0379

GENERAL INFORMATION

Name of proposed school: Memphis Business Academy Hickory Hill High School

Projected year of school opening: 2020

Charter authorizer for proposed school: Shelby County Schools in Memphis

Sponsor/Sponsoring Agency: Memphis Business Academy, Inc.

The sponsor is a not-for-profit organization with 501(c)(3) status: Yes In Process

Model or focus of proposed school: College and career readiness

Name of primary contact person (this person should serve as the contact for follow-up, interviews, and notices regarding this application): April Bobo

Mailing address: 2450 Frayser Blvd

Primary Telephone: (901) 358-1651 Alternate Telephone: (901) 603-3529

Email Address: april.bobo@mbaexecutives.org

Names, current employment, and roles of all people on school design team (add lines as needed):

Reverend Anthony Anderson	Founder/Chief Executive Officer - MBA	Chief Executive Officer
Dr. Celia Anderson	Founder/Chief Executive Officer - MBA	Chief Executive Officer
Nancy Reeves	Chief Financial Officer - MBA	Chief Financial Officer
Germaine Thurman	Chief Academic Officer - MBA	Chief Academic Officer
April Bobo	Chief Academic Officer - MBA	Chief Academic Officer
Carmen Coleman	Director of Data - MBA	Director of Data
Tamira Magee	Director of Talent - MBA	Director of Talent
Ju'Auni Hines	STEM Coordinator - MBA	STEM Coordinator

Name of proposed school leader (if any): _____

Proposed school leader's current employment: _____

City or geographic community: _____

Does the proposed school intend to contract or partner with a charter management organization (CMO) or not-for-profit education service provider? No _____

If yes, identify the CMO or other partner organization: _____

Does this applicant have charter school applications under consideration by any other authorizer(s)? No _____

If yes, complete the table below, adding lines as needed:

Indicate Applicant Type:

New-Start Applicant

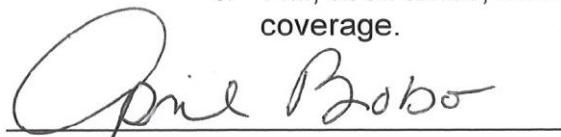
- Existing TN Operator Proposing New Focus/Grade OR Existing non-TN operator OR Existing ASD operator
- Existing Tennessee Operator Proposing Exact Focus/Grade Structure**

ASSURANCES

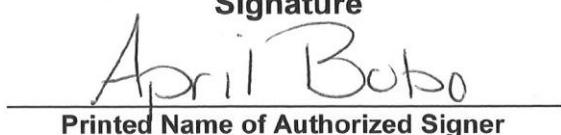
As the authorized representative of the sponsor, I hereby certify that the information submitted in this application for a charter for Memphis Business Academy Hickory Hill High School is true to the best of my knowledge and belief, realizing that any misrepresentation could result in disqualification from the application process or revocation after award; and if awarded a charter, the school:

1. Will operate as a public, nonsectarian, non-religious public school, with control of instruction vested in the governing body of the school under the general supervision of the chartering authority and in compliance with the charter agreement and the Tennessee Public Charter Schools Act;
2. Will follow all federal, state, and local laws and regulations that pertain to the operation of a public school, unless waived according to T.C.A. § 49-13-105;
3. Will provide special education services for students as provided in Tennessee Code Annotated Title 49, Chapter 10, Part B of the Individuals with Disabilities Education Act; Title II of the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973;
4. Will adhere to all provisions of federal law relating to students who are limited English proficient (LEP), including Title VI of the Civil Rights Act of 1964 and the Equal Educational Opportunities Act of 1974, that are applicable to it;
5. Will follow all federal and state laws and constitutional provisions prohibiting discrimination on the basis of disability, race, creed, color, national origin, religion, ancestry, or need for special education services;
6. Will utilize this application as a contract with the authorizer, if no other agreement is signed, pursuant to Tennessee Attorney General Opinion No. 10-45;
7. Will comply with all provisions of the Tennessee Public Charter Schools Act, including, but not limited to
 - a. employing individuals to teach who hold a license to teach in a public school in Tennessee;
 - b. complying with Open Meetings and Open Records laws (T.C.A. §§ 8-44-101 et seq.; 10-7-503, 504) (guidance is available from the [Office of Open Records Counsel](#));
 - c. not charging tuition, except for students transferring from another district to the school pursuant to the local board's out-of-district enrollment policy and T.C.A. § 49-6-3003;
 - d. following state financial (budgeting and audit) procedures and

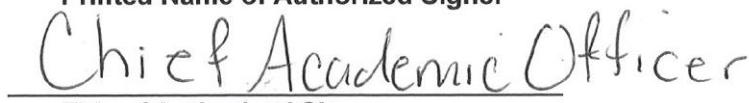
- enrollment policy and T.C.A. § 49-6-3003;
- d. following state financial (budgeting and audit) procedures and reporting requirements according to T.C.A. § 49-13-111, 120, and 127;
 - e. requiring any member of the governing body, employee, officer, or other authorized person who receives funds, has access to funds, or has authority to make expenditures from funds, to give a surety bond in the form prescribed by T.C.A. § 8-19-101; and
8. Will, at all times, maintain all necessary and appropriate insurance coverage.



Signature



Printed Name of Authorized Signer



Title of Authorized Signer

Executive Summary

Mission and vision for the proposed school

Memphis Business Academy (MBA), the sponsoring organization, was founded in 2005 to improve the academic achievement of students from the Frayser/Raleigh area and provide them with the knowledge, skills, and dispositions that will enable them to be successful in school and beyond. MBA is dedicated to high quality instruction in mathematics, science, social studies, and language arts, with a focus on business, entrepreneurship, and financial responsibility. Through replicating MBA's success in improving student achievement growth, Memphis Business Academy Hickory Hill High School (MBAHHHS) will exceed state and national standards while developing independent and critical thinkers who possess the communication skills and quantitative literacy necessary to be successful in a high-tech, global society. Through the implementation of innovative and effective instructional models, validated by MBA's impressive achievement results, MBA's educational program is an ideal candidate for replication.

Academic focus and plan

MBA's results-driven academic focus is consistent with best practices in education research, including MBA's use of a curriculum based on high academic standards; integration of literacy into all core subject areas; use of data to inform instruction; cultivation and maintenance of strong leadership; holding staff responsible for student learning and outcomes; development of a shared school mission; fostering of meaningful parent involvement; creation of an environment where students feel psychologically and physically safe; and development of a community in which students are supported and welcomed. MBA has implemented these components through a rigorous academic program that is aligned with learning standards and infuses students with experience in real-world problem-solving.

MBA Hickory Hill High School will integrate language and literacy content throughout the curriculum in order to engage students in scientific and mathematical/business communication, problem solving, science investigation activities and other higher-order thinking skills. This will provide an opportunity for students to make natural and meaningful connections with multiple content areas. As with MBA's existing high school, MBA Hickory Hill High School will prepare its "young executives" for a future in the business world. In English coursework, as students progress through the required courses, they will learn how to fill out a job application, write a resume, and put together a business plan. In math coursework, as students progress through the required math sequence, they will learn financial accounting, such as compound interest and financial business and investment models. In science coursework, in addition to the required subjects, students will have opportunities to learn engineering skills through robotics and coding. These local business leaders will be involved in mentoring and encouraging students in employment skills and providing internship and service opportunities.

The need for the proposed school

The School Performance Scorecard (SPS) suggests a strong need for higher quality seats in Hickory Hill. More specifically, "over half of the middle and high school seats [in the Southeast]

are in schools that scored less than a 3.00 on the SPS.” In Hickory Hill, the analysis shows that 56.1 percent of the high school seats are in schools that “Need Improvement,” the lowest quality rating, and 79.2 percent of the seats are below the “good” quality rating. The final analysis of the Southeast region notes that the “Oakhaven/Parkway and Hickory Hill neighborhoods have the highest percentage of students in schools with an SPS rating below a 3.00 in the region.”

Based on seat quality, the Regional Seat Analysis recommends creating “5,819 more seats at high schools with a 3.00+ SPS.” Moreover, the report indicates that of the nine charter schools slated to open for the 2019-20 school year, only one plans to serve high school students, and it is in the Downtown/Midtown area. Establishing a high-quality charter high school could improve the quality of the seats in Hickory Hill and potentially attract students from other neighborhoods and even across district lines. Overall, the Regional Seats Analysis provides strong evidence of an academic need for high quality seats in Hickory Hill.

Given the need for a high-quality high school in Hickory Hill, MBA High School (MBAH), which we are replicating, has a score of 3.23 on the SPF. In addition, as noted in attachment R, MBAH has a strong track record for preparing students for college and career. The average score for MBA high school students on the 2018 ACT was 17.04. This average was significantly higher than the TVAAS model predicted, awarding MBA High with a level 5 TVAAS growth rating, indicating “significant evidence that the school’s students made more progress than the Growth Standard.” Moreover, TVAAS indicates that MBAH’s students have moderately or significantly exceeded the TVAAS growth standard for the past three years for which data is available.

Capacity to successfully open and operate a high quality school

Having recently opened an elementary and middle school in Hickory Hill, MBA has an established presence in the area. We know the families and the community, which would allow us to quickly spread the word when we are ready to open a high school in the area. In addition, a public relations effort will be developed and implemented to recruit and inform potential students, and the community at large, of the opportunities MBA’s schools will provide. This will include brochures, informational meetings at community centers, informative website updates, and business community outreach. Finally, as noted in this [SpiritMemphis.com cover story](#), the success of MBA and its founder, Reverend Anthony Anderson, will help us to attract families.

MBA has achieved a remarkable track record of success in education. MBA takes students who struggle in traditional schools and helps to advance their academic learning. The rapid rate of learning across subjects and grades in MBA’s schools demonstrates the organization’s effectiveness and commitment to excellence. In 2015, MBA’s three schools, Memphis Business Academy Elementary School, Memphis Business Academy Middle and Memphis Business Academy High School, all of which serve a large proportion of disadvantaged students, were designated as **Reward Schools**, Tennessee’s highest educational honor. That is, MBA’s year-over-year academic progress ranked them in the top five percent of value-added progress among all schools in Tennessee. Moreover, in 2014, Memphis Business Academy High School was also designated a **Reward School** based on its students’ rapid academic progress.

As described in Section 4, achievement in MBA's schools has continued to improve, especially with respect to college and career readiness. Since MBA's schools serve a disproportionately large share of disadvantaged students relative to the district and state, exceeding growth targets in student learning is a truly remarkable achievement that is worth replicating.

SECTION 1: ACADEMIC PLAN DESIGN AND CAPACITY

1.2 Enrollment Summary

- (a) Describe the community from which the proposed school intends to draw students, including the demographic profile and school zones within the LEA.

Memphis Business Academy Hickory Hill High School (MBAHHHS) will focus on promoting access to a meaningful and enriching academic experience for disadvantaged students in the Hickory Hill community, which encompasses two zip codes: 38115 and 38141. According to the 2017 American Community Survey (ACS), the table below shows that Hickory Hill serves a larger portion of African Americans and Hispanics compared to Shelby County as a whole.

	Hickory Hill	Shelby
Zip code	38115	38141
African American	82.5%	83.1%
Hispanic	9.3%	7.9%
white	6.6%	6.8%
Asian	0.3%	0.8%
		53.2%
		6.1%
		36.5%
		2.5%

The 2017 ACS also provides information about income and poverty. The table below summarizes this information for the two zip codes that comprise the Hickory Hill community. The residents of zip code 38115 in Hickory Hill are significantly less wealthy than Shelby County as a whole, and the poverty rate is notably higher. The median income of residents in zip code 38141 is about the same as that of Shelby County, but there is more poverty. By providing a high-quality education to students in Hickory Hill, we will increase student achievement, replicating the model we have successfully implemented in the schools in our network.

	Hickory Hill	Shelby
Zip code	38115	38141
Median Income (\$)	31,183	49,839
Mean Income (\$)	41,897	59,407
Poverty Rate (%)	28.9	22.3
		48,415
		72,387
		20.8

- (b) Provide a rationale for selecting the community where the proposed school will locate.

In terms of educational and economic outcomes, the Hickory Hill community will benefit from the proven educational model that MBA has established over its 15 years of operation. The educational attainment of the population of Hickory Hill suggests the need for high quality schooling options. The 2017 ACS data in the table below indicates that between 13% and about 15% of the 18- to 24-year-olds in Hickory Hill are not completing a high school education, and only 5% to 7% are obtaining a Bachelor's degree. These figures are about the same or worse than Shelby County as a whole.

Educational Attainment Among 18- to 24-Year-Olds		
	Hickory Hill	Shelby
Zip code	38115	38141
less than HS	13.1%	14.6%
Bachelor's	4.6%	7.4%
		10.1%

Improving education in Hickory Hill can help to improve the community's economic circumstances. Based on the 2017 ACS data, as shown in the table below, the difference in the poverty rate of 25-year-olds and over who do not complete high school compared to those who complete at least a bachelor's degree is 24.3 percentage points in zip code 38115 and 22.5 percentage points in zip code 38141. Education is a route out of poverty, and it is clear from the data that Hickory Hill needs high quality educational options, especially for the high-school age population.

Poverty Rate Among People Age 18 Years and Over		
	Hickory Hill	Shelby
Zip code	38115	38141
Overall	18.8%	13.8%
Less than HS	30.6%	26.5%
Bachelor's or higher	6.3%	4.0%
		4.4%

Our emphasis on providing our students with financial knowledge at an early age will be of use to the Hickory Hill community that will be served by MBAHHHSS. More specifically, Hickory Hill has experienced significant outflow of economic activity further east into suburbs, leaving much blighted and abandoned commercial property, as well as businesses that struggle to remain solvent. MBA can help address these challenges by providing its students with greater financial literacy and a quality education.

Our established charter schools serve the Frayser community, and we have two new schools that opened in 2018 that serve Hickory Hill. The demographic and economic profile of Frayser is quite similar to that of Hickory Hill. Thus, having a growing presence in Hickory Hill, and offering high quality educational options for all grade levels in Frayser, our proven high school model should translate well to the Hickory Hill community given the demographic profiles.

- (c) Discuss the academic performance and enrollment trends of surrounding schools in that community.

Memphis Business Academy Hickory Hill High School (MBAHHHS) will provide a meaningful and enriching academic experience for students in the Hickory Hill community. The academic outcomes of Hickory Hill's existing high schools illustrate how far the community is from meeting district and state expectations. The tables below show various data on how well Hickory Hill's high school students are being prepared for college and career. The evidence suggests that students in Hickory Hill's schools are struggling to meet state standards on these indicators, and there is a lack of evidence that these schools are improving over time. One school, Wooddale High School, is designated as a Priority school by the state, while Kirby High School has a School Performance Framework score of 1.92, which is in the "Needs Improvement" category.

The first table below displays Tennessee's ESSA accountability determinations for students enrolled in Hickory Hill high schools and includes the same indicators for Shelby County. A 0 indicates an "F" grade, while a 4 indicates an "A" grade. In general, the evidence suggests that these schools are performing significantly below Shelby County and below state standards in nearly every category except graduation rates. Based on these data, most of the students in Hickory Hill do not appear ready for college and career success.

Hickory Hill High School Student Outcomes, 2018								
School	Achievement	Chronic Absenteeism	ELPA Growth Standard	Graduation Rate	Growth	Ready Graduates	TVAAS ACT Growth	
Wooddale	0	2	0	3	0	0	1	
Kirby	0	4	1	2	0	2	0	
Power Center Academy	1	0	1	4	0	1	0	
Shelby County	2	4	3	3	2	1	0	

The two tables below show Hickory Hill high school students' accountability outcomes for 2017 and 2016, respectively. The tables also include Shelby County as a comparison. The indicators in these tables are different than those above because ESSA's accountability metrics only went effect in 2018. Note that the cells with two asterisks in the table indicate achievement below five percent.

The 2017 and 2016 tables show the same trends as those noted above: while some of the high schools in Hickory Hill graduate most of their students, the achievement data suggests that the students do not appear to be ready for college-level work. Moreover, the TVAAS Composite scores indicate that these schools are generally showing "significant evidence of students making less progress than the Growth Standard," which means the schools are showing little improvement over time.

Hickory Hill High School Student Outcomes, 2017					
School	Math Proficiency Rate (%)	ELA Proficiency Rate (%)	TVAAS Composite	Average ACT	Graduation Rate (%)
Wooddale	**	12.8	1	15.3	57.5
Kirby	**	9.4	2	15.6	73.2
Power Center Academy	**	13.8	1	18.4	96.6
Shelby County	9.7	21.2	1	17.8	79.6

Hickory Hill High School Student Outcomes, 2016					
School	Math Proficiency Rate (%)	ELA Proficiency Rate (%)	TVAAS Composite	Average ACT	Graduation Rate (%)
Wooddale	1.9	10.7	1	15.5	52.5
Kirby	2.5	9	3	15.3	72.9
Power Center Academy	6.4	20.8	1	18.3	100
Shelby County	7.6	19.5	1	17.5	78.7

SCS 2019 Application Supplement

Shelby County's Regional Seats Analysis (RSA) lends further support to the academic challenges facing Hickory Hill's high schools, as described above, and the need for high quality options. Overall, while the utilization analysis indicates that supply of high school seats in Hickory Hill significantly outstrips demand, the School Performance Scorecard (SPS) analysis suggests a strong need for higher quality seats. More specifically, "over half of the middle and high school seats [in the Southeast] are in schools that scored less than a 3.00 on the SPS." In Hickory Hill, the analysis shows that 56.1 percent of the high school seats are in schools that "Need Improvement," the lowest quality rating, and 79.2 percent of the seats are below the "good" quality rating. The final analysis of the Southeast region notes that the "Oakhaven/Parkway and Hickory Hill neighborhoods have the highest percentage of students in schools with an SPS rating below a 3.00 in the region."

Based on seat quality, the Regional Seat Analysis recommends creating "5,819 more seats at high schools with a 3.00+ SPS." Moreover, the report indicates that of the nine charter schools slated to open for the 2019-20 school year, only one plans to serve high school students, and it is in the Downtown/Midtown area. Establishing a high-quality charter high school could improve the quality of the seats in Hickory Hill and potentially attract students from other neighborhoods and even across district lines. Overall, the Regional Seats Analysis provides strong evidence of an academic need for high quality seats in Hickory Hill.

Given the need for a high-quality high school in Hickory Hill, MBA High School (MBAH), which we are replicating, has a score of 3.23 on the SPF. In addition, as noted in attachment R, MBAH

has a strong track record for preparing students for college and career. The average score for MBA high school students on the 2018 ACT was 17.04. This average was significantly higher than the TVAAS model predicted, awarding MBA High with a level 5 TVAAS growth rating, indicating “significant evidence that the school’s students made more progress than the Growth Standard.” Moreover, TVAAS indicates that MBAH’s students have moderately or significantly exceeded the TVAAS growth standard for the past three years for which data is available.

Students in Hickory Hill’s high schools struggle to meet proficiency standards in ELA and math and graduate prepared for college. The challenges for students living in the Hickory Hill neighborhood are many. Based on the past success of our schools (see Attachment R and section 4), MBAHHHS would address Hickory Hill’s fundamental demands for high quality schools and help close the gap in achievement based on race, income and zip code. MBAHHHS will enroll similar shares of students with disabilities, English Language Learners, and students who are eligible applicants for the free and reduced-price lunch program when compared to the Hickory Hill area.

(d) **Describe the specific population of students the proposed school intends to serve.**

Based on the current demographics of our school population (see Attachment S), we anticipate about 79% of our students to be African American, 20% Hispanic and 1% White. We anticipate 80% of our students to be from economically disadvantaged backgrounds, 5% of our population to be students with disabilities, 12% of our population to be students who are identified as English Language Learners. In addition, we anticipate at least 80% of our students will arrive not at grade level upon enrollment at our school. Since we anticipate serving a student population that is similar to our current students, our proven academic plan will serve Hickory Hills’ students well.

One of the ways that our academic plan will meet the needs of Hickory Hills’ students is through our Reading on Wednesdays (R.O.W.) program. This is a network-wide reading initiative that is consistently implemented on Wednesdays. Additionally, a weekly business/finance concept is integrated into instruction by each of the subject area teachers (i.e., the Business Concept for Week 1 is: Career Paths in Business/Finance).

Critical to the implementation of our academic plan is data-driven decision-making at the classroom, grade, school, and network levels. First, each year the students at MBAHHHS will participate in the NWEA Map program. NWEA Map is a diagnostic program that identifies the needs of individual students through technological lessons and assessments. The data that NWEA Map yields can be used to determine student levels, thereby determining their need for intervention or enrichment services. The data also provides teachers and instructional specialists with information regarding instructional decisions. NWEA Map pinpoints the performance of students and also measures their growth.

Second, MBAHHHS will incorporate a Response to Instruction and Intervention (RTI²) Plan that includes a school level RTI² support team and aligns with RTI² Initiative 2013. The school team will include the principal or his/her designee, classroom teachers, literacy/numeracy coaches, Special Education teachers, and other staff as necessary. The team will meet regularly as needed

and/or once every 4.5-5 weeks at a minimum to ensure the fidelity of instruction and interventions. It will also make data-based decisions regarding appropriate student placement in interventions. These decisions will be made in compliance with the RTI² Decision Making Process described in RTI² Initiative. Interventions will be matched to specific area(s) of deficit for each student. To accomplish effective student screening and progress monitoring, the school level RTI² support team will ensure that all teachers will be trained to administer the EasyCBM Universal Screener to all students at their current grade-placement level. The school level RTI² support team will also ensure that all students be screened at the beginning, middle, and end of the school year.

- (e) Summarize what the proposed school would do more effectively than the schools that are now serving the targeted population.

With two of its schools having been designated Rewards Schools by the state, and with a strong track record of consistently improving achievement, MBA has proven itself capable of giving historically underserved populations a chance to succeed in school and life. MBAHHHS will rely on the proven practices of MBA's existing schools to effectively serve the Hickory Hill community.

One area in which we have been very effective is in using data to inform teachers' instructional practices, and administrators' organizational decisions. Some of the ways that MBA does this is through:

- Identifying student content deficits through early administration of NWEA, College and Career Readiness, and Tennessee State Standards aligned internal benchmark assessments.
- Developing in-school intervention/remediation periods driven by bi-weekly common assessments, internal benchmark assessments, and nationally normed assessments.
- Conducting weekly data meetings between teachers, content leaders, and data team to monitor student progress towards projections, content mastery, and intervention effectiveness

Another area in which we are effective is in developing a multitude of ways to prepare our students for college and careers through:

- Aligning high school curriculum with Tennessee State Standards and College and Career Readiness Standards.
- Administering Fall and Spring College and Career Readiness benchmarks to all high school students.
- Create college readiness counseling and student and parent education program that target students in grades 8 through 11.
- Increasing student opportunities to take the ACT and begin ACT testing in grade 8.
- Provide ACT prep courses and materials to sophomores and juniors. Provide SAILS course to seniors.

In terms of improving rigor in the high school curriculum, MBAHHHS will:

- Increase STEM courses and pathways that support real world application of grade-level content.
- Increase elective course offerings that support alignment to College and Career Readiness Standards.
- Create a dual enrollment program to allow students to complete high school and college requirements at the same time

- (f) If you are an existing operator, describe any enrollment practices, processes, and policies that will differ from the existing school.

At capacity, MBAHHHS will serve students in grades 9-12. The enrollment plan for the school is modeled after the enrollment plan of our existing network of schools. The enrollment plan allows for steady growth of the student body during the start-up years, which is important to building and maintaining a positive and strong school culture.

We have an established elementary and middle school in Hickory Hill, which will significantly reduce the challenge of attracting families. We are committed to recruiting a broad cross-section of students and will use a wide range of strategies to ensure all families are aware of our schools. Specifically, we will place information about the proposed school and its enrollment process in a wide range of strategic locations, including but not limited to:

- At our existing elementary and middle schools in Hickory Hill (MBAHES and MBAHMS)
- The school's [website](http://mbacharterschools.org/) (<http://mbacharterschools.org/>)
- Social media and billboards
- Community organizations providing services to Hickory Hill families with children including Boys And Girls Club and the YMCA;
- Community organizations providing services to underserved families in Hickory Hill; and
- Local businesses in Hickory Hill, including churches, laundromats and grocery stores.

Another key component of our publicizing campaign will be informational sessions and face-to-face solicitations at local community organizations and low-income housing. These strategies will be effectively led by our central office team, which has a wealth of experience for onboarding and starting schools, including marketing, enrollment, etc.

Lastly, we believe that a simple, straightforward enrollment application best meets the end goal of providing equal access to the school. Therefore, the school will require only a bare minimum of information; requested information on the application will include the prospective student's name, address, and telephone number. We will ensure that our enrollment processes are aligned with county and state law, and we will consciously monitor enrollment activities to ensure that there is no real or perceived bias in student selection when the proposed school needs to fill any seats that may be vacated. Special effort will be made to ensure that information about the school is widely available, particularly to families who may be less informed about school choice options. Detailed information will be provided to prospective families regarding the full range of services the school makes available in order to meet the needs of all students, including students with disabilities, physically disabled students, and students with limited English proficiency.

- (g) Complete the enrollment summary and anticipated demographics charts below.

Number of Students

Grade Level	Year 1 2020	Year 2	Year 3	Year 4	Year 5	At Capacity 2024
9	100	100	100	100	100	100
10		100	100	100	100	100
11			100	100	100	100
12				100	100	100
Totals	100	200	300	400	400	400

Anticipated Demographics	% of Economically Disadvantaged students	% of Students with disabilities	% of English language learners
	90	6	12

1.12 Community Involvement and Parent Engagement (after school opens)

- (a) Describe student recruitment after the school has opened. How will it differ from pre-opening recruitment?

The primary student base of the Memphis Business Academy Hickory Hill High School will be students matriculating from the Memphis Business Academy Hickory Hill Middle School. It is anticipated that at least 75% of the initial 9th grade class of the Memphis Business Academy Hickory Hill High School will be comprised of students or their siblings from the Memphis Business Academy Hickory Hill Middle School. As such, recruitment strategies will be focused on enrolling approximately 20-25 students each year who will be new to the MBAHS system. The primary focus of the school's recruitment efforts will be to attract students from nearby schools that have been placed on the list of high priority schools.

Selection Process:

As required by the state law, participation in MBAHHHS shall be based on parental choice. However, admissions outreach will target students who are currently enrolled in a charter school, those who would otherwise be enrolled in schools that have been identified by the state as failing to make adequate yearly progress, or those who failed to test proficient on the TNReady or EOC in language arts/reading or mathematics. Admission to the school will be on a first-come, first-served basis. If admissions to MBAHHHS reaches the 100-seat maximum (per grade level) before the valid applications are exhausted, a waiting list will be established, and students will be placed on the list in order of application.

Compliance with State and Federal Non-discrimination Laws:

MBAHS will not discriminate against any student on the basis of ethnicity, national origin, religious affiliation, gender, or disability in compliance with Federal and State non-discrimination laws, and recruitment efforts will be designed to include all populations.

- (b) Outline how the school will engage parents and community members in the life of the school (in addition to any proposed governance roles). Explain the plan for building family-school partnerships that strengthen support for learning and encourage parent involvement.

A Hanover Research (2014) report described how families and educators each play central roles in child development, and yet both groups often struggle to engage one another in meaningful ways to improve student outcomes.

Some families face many obstacles to becoming more involved. Parents may have inflexible work schedules that limit opportunities to visit the school campus, a lack of access to the technology required to receive communication from the school, or difficulty communicating in English. To address these barriers, we will assess the factors that affect parent involvement and consider strategies to improve communication and opportunities for involvement.

MBA is responsible for ensuring that families and community members understand how to become more involved and recognize the value of their involvement. To successfully engage families and community members, MBAHHHS must build welcoming environments and provide families with opportunities to learn more about how to support their children and their schools.

We will measure family and community involvement through surveys, policy and practice reviews, and performance indicators. We will survey families as a part of our engagement policy to assess the effectiveness of parent attitudes and barriers to engagement. Policy and practice reviews allow MBA to assess policy components and school-level practices with reference to best practice benchmarks and strategic goals. Performance indicators will provide MBAHHHS with concrete measures of progress but should be used in conjunction with other measures.

- (c) Describe how parents will be informed and educated on all school policies and any commitments or volunteer opportunities the school will seek from, offer to, or require of, parents.

We will strive to promote “authentic participation” and involve parents in the school in meaningful ways. We will provide easier access to teachers and counselors by attempting to provide staff members time outside of normal school hours to make themselves available to parents. Where possible, we will consider more convenient alternative community locations to hold events and meetings. MBAHHHS will improve family engagement by direct, routine communications such as face-to-face conferences, telephone contacts, open houses, teacher notes, and classroom visits. We will also establish family liaisons, communicate small accomplishments, increase opportunities for engagement, remove jargon from communications, use interpreters to communicate with family members with limited knowledge of English, and use technology to communicate and track participation. Communication between the school and parents should be two-way—parents should have opportunities to ask questions, initiate interaction, and provide input

regarding their child's education and school policies.

- (d) If already identified, describe any programs you will offer to parents and/or the community and how they may benefit students and support the school mission and vision.

Research has shown that engagement programs that train families about how best to support children have a demonstrable effect on student achievement. To better support families through a training program, we will focus on the following approaches:

- Measures of whether parents consider the school welcoming to volunteers;
- Using school staff to train parent in school-wide program;
- Recognition of volunteer efforts;
- Measures of parent satisfaction with training;
- Existence of a written parent involvement plan with a training component; and
- PD to help staff effectively include parents.

1.13 Existing Academic Plan (for existing operators)

- (a) Describe any key academic plan features for the replication school that will differ from the operator's existing schools.
- (b) Explain why you would implement these different features, any new resources they would require, and the rationale for the variation in approach.

Memphis Business Academy Hickory Hill High School will not adopt any academic plan features that differ from our existing schools. This is because our model has proven effective in improving student achievement. In alignment with research-based best practices, all of our schools, including the proposed MBAHHHS, focus on the following key design elements include:

Small class size

Since the inception of the network, one of the key drivers has been small class size, particularly in Mathematics and Reading/Language Arts/English. While unbalanced enrollment and teacher staffing have, at times, forced classes to larger-than-desired levels, the overall goal has been to keep classes to fewer than 20 students in Math and RLA/English. For example, in the newly-opened Memphis STEM Academy, classes in both kindergarten and 1st grade were 16 students or less during the 2016-17 school year. This smaller class size has multiple academic benefits and is one of the drivers that has been consistent across the network's history.

Extended school day

Another feature of MBA schools is an extended school day (8 hours). After experimenting with even longer school days, we have found that the 8-hour schedule provides the much-needed additional learning time while not leading to the student and teacher burnout that can result from a 9 or 10-hour school day.

7-to-7 and year-round engagement

MBA schools focus on creating opportunities for students to be engaged with school activities

from “7-to-7” (7:00 a.m. to 7:00 p.m.) and throughout the year. While our model of 7-to-7 engagement does include increased instructional time, the goal is also to provide students with ways to participate in the school community through after-school extra-curricular and co-curricular activities. Currently, these options include soccer, basketball, cheerleading, track, volleyball, ballet, choir, band, robotics, golf, and more. We recognize that many schools offer similar programs. However, we have been very intentional about maximizing participation and offering opportunities to which students might otherwise not have access (e.g., elementary school sports programs). While we recognize that many of our students have other responsibilities that prevent them from taking full advantage of these 7-to-7 opportunities, our goal is to engage as many students in as many activities as possible.

Positive school culture

In 2012-13, SchoolWorks conducted a School Quality Review of the existing network schools. One of the key findings of the report was the need to focus on school culture. As a result of the report, school staff visited schools in Nashville and elsewhere to learn approaches to developing school-wide culture. Following these visits, a network-wide program around school culture was implemented to promote positive student behavior in support of accelerating student learning.

Ongoing teacher professional development and support

We have created structures to support teacher professional development and growth throughout the school year. One way in which this teacher support has been institutionalized is through the work of academic coaches who are released from instructional responsibilities. The coaches teach for one or two periods a day and spend the remainder of their time working with other teachers. This structure for teacher support is important, not only for the more frequent opportunities for teachers to receive feedback on instruction, but also for the data that coaches can gather regarding professional development needs.

This data is then used to drive weekly professional development sessions during network-wide reading time. After visiting charter schools in the Boston area, we implemented “Reading on Wednesday (ROW)” in 2013. ROW is a weekly time for students to engage in sustained reading of grade-appropriate novels and other assigned readings. This scheduled time provides an opportunity for different groups of teachers to participate in professional development during the school day. These structured professional development sessions during the regular school day have promoted increased teacher participation and engagement and also served to send the message that continuous professional growth is an expectation of ALL teachers.

Academic Rigor and Data Tracking: As we do at our other schools, we will use data to inform instruction at MBAHHHS in a few different ways. We will use informal assessments throughout each instructional period, including exit slips, brief quizzes, and other teacher generated resources to help us understand students’ levels of proficiency and concepts should be reviewed or introduced. We will also use pre- and post-assessment results (administered at the beginning and end of each quarter) as a more systematic means of determining how well our students are learning the material. Finally, we will make ample use of state testing results. We will work with each student to set realistic goals for the next test based on results from previous tests, and we will examine the test data to determine each student’s strengths and weaknesses.

MBAHHHS expects to replicate the effective processes that have helped improve results at MBA’s network

of schools. Authentic, challenging tasks embedded in problem and project-based instruction will be adopted through three specific strategies (*Three-Tier Instruction*) to build students' understanding of business and financial issues. At Tier I, all students will receive authentic instruction through a core reading and mathematics program for 60 minutes per day (per subject). Using the results of assessment data, students at risk of not meeting achievement standards will receive Tier II reading and mathematics instruction. This will involve an additional 30 minutes per day 3 days per week of small group instruction. Students who continue to struggle at Tier II for 6 weeks will receive Tier III intervention. This will include an individualized program, which might involve additional small group instruction (beyond the 90 minutes per week provided in Tier II), one-on-one tutoring, computerized tutoring, etc. The intervention strategy will depend on the needs of the student, as identified through progress monitoring (National Center on Response to Intervention, 2010).

MBAHHHS will follow a similar assessment schedule as well as the processes through which MBA monitors progress and holds schools accountable for results (see section on performance management).

Leadership and Teacher Collaboration: Teamwork is an essential aspect of MBA's culture. MBAHHHS will tap into existing resources within the network to ensure quality instruction, teacher support, and, in turn, student achievement. Teachers will meet weekly to discuss their students' progress, teacher instructional practices, collect and analyze data, and make data-based recommendations. Teachers at MBAHHHS will participate in the two-week MBA Teacher Institute that serves as an introduction to the professional development sessions for the year. During the Teacher Institute teachers will participate in sessions that are facilitated by experienced administrative staff.

1.14 Performance Management (for existing operators)

- (a) If different than the original application, describe any mission-specific educational goals and targets that the organization will have. State goals clearly in terms of the measures or assessments you plan to use.

MBAHHHS will align its goals with the current goals of MBA high school, as follows:

MBA has embraced a data-driven culture. The teachers' instructional practices are informed by students' academic and social data, and the administrators' organizational decisions are informed by school-wide data. Students are provided a rigorous, structured learning environment that is conducive to their academic growth and development.

The administrators and teachers of Memphis Business Academy established the following goals:

MBAH 5 Year Goals	Measures
1. Outperform the Tennessee's EOC average On-Track and Mastery Percentage by 10% in all content areas.	a. Identify student content deficits through early administration of NWEA, College and Career Readiness, and Tennessee State Standards aligned internal benchmark assessments. b. Create in-school

	<p>intervention/remediation periods driven by bi-weekly common assessments, internal benchmark assessments, and nationally normed assessments.</p> <p>c. Conduct weekly data meetings between teachers, content leaders, and data team to monitor student progress towards projections, content mastery, and intervention effectiveness.</p>
2. Increase school average ACT score to 21.	<p>a. Align high school curriculum with Tennessee State Standards and College and Career Readiness Standards.</p> <p>b. Administer Fall and Spring College and Career Readiness benchmarks to all high school students.</p> <p>c. Increase student opportunities to take the ACT and begin ACT testing in grade 8.</p> <p>d. Create college readiness counseling and student and parent education program that target students in grades 8 through 11.</p> <p>e. Provide ACT prep courses and materials to sophomores and juniors. Provide SAILS course to seniors.</p>
3. Increase Advanced Placement Exam scores to 3 or above and increase dual enrollment credits by graduation	<p>a. Create an intense, rigorous entry program for potential AP students and dual enrollment.</p> <p>b. Increase research and investment in latest ACT curricular resources and teacher professional development opportunities and dual enrollment.</p> <p>c. Increase classroom time for ACT courses and dual enrollment.</p>
4. Improve rigor of high school curriculum.	<p>a. Increase STEM courses and pathways that support real world application of grade-level content.</p> <p>b. Increase elective course offerings that support alignment to College and Career Readiness Standards.</p> <p>c. Create a dual enrollment program to allow students to complete high school and college requirements at the same time.</p>

<p>5. Increase teacher support and professional development opportunities for teachers.</p>	<ul style="list-style-type: none"> a. Increase the number of network academic coaches to provide additional teacher observations, feedback, and support. b. Create a Director of Talent position to streamline and coordinate Teacher Development programming. c. Establish relationship with Relay Teacher Education Program to systematize teacher education and development. d. Schedule common planning time for content teams to facilitate in-school professional development. e. Conduct bi-weekly PLC to facilitate school-wide professional development.
---	--

- (b) Explain how the organization will measure and evaluate academic progress of individual schools within your network throughout the school year.

MBAHHHS will operate under the same guiding principles that ground the assessment system of MBA's network of schools. The school intends to administer the same standardized assessment in order to monitor academic progress across the network.

Teachers begin the year reviewing assessment results in order to determine the sequence of skills to be taught for the first quarter. The skills are placed on an instructional map that outlines methods for introducing new skills and re-introducing those not mastered. This process is repeated at the conclusion of each quarter, using data yielded from formative assessments, by way of MasteryConnect. This is an online resource that helps teachers identify and track student mastery of Common Core State Standards to inform teaching practice.

MBA's network of schools is in the statewide system of assessments and accountability and will use this assessment data as its ultimate measure of progress, but we will use formative assessments that are aligned to Tennessee's Career and College Readiness Standards in order to benchmark performance and set goals for summative assessment performance. Our teachers will have access to a formative assessment program that measures student performance on current Tennessee State Career and College Readiness Standards. Currently, MBA Elementary uses the NWEA MAP assessment program to provide benchmarking information with regard to the TN READY.

We have aligned our existing formative assessments with Career and College Readiness Standards. The formative assessment program will be administered to determine student mastery and retention at three intervals throughout the year. The first formative assessment will be administered prior to the Fall Break. The data from this report will inform intervention efforts both during and after school. The second formative assessment will be administered prior to the Winter Break. The

third and final formative assessment will be administered prior to Spring Break. Throughout the academic year, at intervals determined by the teachers and/or the academic staff, teachers will utilize MasteryConnect.

At two points during the school year, internal benchmarks will be administered. This data will be used to determine teachers' strengths and areas to strengthen. It will also be used to pace skills for instruction during the upcoming school year. Based on the data compiled from the interval classroom assessments as well as the formative and summative assessment, teachers and administration will identify and determine the individual needs of at-risk students and students with disabilities. MBAHHHS staff will collaborate with the English As a Second Language Department of Shelby County Schools in order to determine the identification and needs of English Language Learners.

- (c) **Describe the organization's approach to academic underperformance for schools that fall short of student academic achievement expectations or goals at the school-wide, classroom, or individual student level.**

The process for setting, monitoring and revising academic achievement goals for all schools in the MBA network begins with the MBA Administrative Team. Under the current process, the Director of Education works with the school leaders and instructional coaches at the beginning of the school year in order to set academic achievement goals for the year. Each school-level team (including school leader and at least one coach) will use previous TNReady results for each grade to determine achievement goals that are both rigorous and attainable. These goals are then presented to the full administrative team. Upon the approval of the full administrative team, the achievement goals are established for the year.

If the school falls below state and/or district academic achievement expectations, the approach will be as follows:

Use data to identify the instructional areas of greatest need for improvement. Using data, the administrative team will identify the grade levels or individual teachers in greatest need of improvement. Specifically, these are classrooms/grades/subjects in which students are not meeting expected growth projections. For example, using TVAAS data, does it appear that one teacher within a grade is having more/less success in achieving student growth than another teacher in the same grade? Or do the challenges appear to be across a grade level/subject? In other words, is it a matter of improving the effectiveness of a single teacher? Or is the problem more systemic and perhaps tied to issues in earlier grades/subjects?

Develop targeted and specific strategies for addressing these deficiencies. The nature of the strategy will depend on the identified reason for the failure to meet expectations. For example, if the issue appears to be the effectiveness of a single teacher within a grade/subject, the strategies will be tailored to the strengths and areas of improvement of the specific individual. For example, a teacher might be moved from one grade level to another to better align with the individual's strengths. She might be identified as a target for the instructional coaches, receiving additional support to improve. Alternatively, if the core issue appears to be more systemic, the strategy will target all involved teachers or students (e.g., subject-specific professional development or

additional instructional time). However, it is important to note that our goal is to focus these strategies as much as possible in order to respond to areas of greatest need.

Continually monitor progress and make adjustments as necessary. MBA Hickory Hill High School will reap the benefits of a small school within a larger network. One advantage is the swift nature in which staffing, scheduling, and interventions can be made. For example, if it was determined that additional reading instruction would be beneficial, small adjustments can be made to the schedule of individual students or whole classes in order to meet this need. In addition, as part of a larger network of schools, MABAHHS has the benefit of access to human resources that make other improvement strategies viable. For example, if needed, teachers could receive almost daily instructional support from coaches or the Director of Education, in addition to the support of the school principal.

The school will also utilize a Response to Intervention model that integrates assessment and intervention within a multi-prevention system to maximize student achievement and to reduce behavior problems. MABAHHS will identify students at risk for poor learning outcomes; monitor student progress; provide evidence-based interventions and adjust the intensity and nature of those interventions depending on a student's responsiveness; and identify students with learning disabilities or other disabilities. The RTI implementation at the school will contribute to more meaningful identification of learning/behavioral problems, improve instructional quality, provide all students with the best opportunities to succeed at the school, and assist with the identification of learning difficulties.

For individual students, the approach to remediation of academic underperformance will begin with assessment. As students are identified through the universal screener and benchmark assessments as failing to meet academic expectations, interventions will be selected to align with students' areas of need but will be selected from a range of possibilities:

Computer-assisted instruction (CAI). The National Mathematics Advisory Panel (2008) recommended in its Final Report the use of "high-quality CAI tutorials, implemented with fidelity" (p. 51). According to the Panel, the appropriate implementation of good quality programs has yielded positive effects on the mathematics achievement of students. For example, a study found that the CAI program, Assessment and Learning in Knowledge Spaces (ALEKS), was used as an effective intervention in an after-school program for struggling mathematics students (Hu et al., 2011). The study applied two different types of interventions, teacher-led interventions and an intervention using ALEKS, and compared the current year's TCAP scores with the previous year's scores. Although the mean scores did increase for both groups of students, the group of students using ALEKS did demonstrate a small advantage. Thus, based on the existing research, we view appropriate use of CAI as a viable strategy for remediating academic underperformance.

Small group instruction by an interventionist. The existing research related to RTI suggests that small-group instruction can improve student outcomes. For example, findings from a longitudinal reading study, beginning in first grade with a three year follow up, revealed that a higher level of performance on progress monitoring assessments and specific standardized reading assessments was demonstrated by students receiving a Tier 2 intervention of small-group tutoring, as opposed to those students who did not receive the intervention (Fuchs et al., 2008). Similarly, findings

suggest that explicit, systematic instruction, a prevalent characteristic of small-group interventions, results in improvements in mathematical outcomes as it did in reading. While not situated in the RTI setting, one large study recorded statistically significant, positive effects when an explicit instruction approach was used with students who possess learning difficulties in the area of mathematics (Gersten, Chard, et al., 2008).

Peer-assisted instruction. Another strategy that will be utilized to remediate underachievement is the controlled use of peer-assisted instruction. A study that specifically addressed Elementary school mathematics reported increased student engagement and positive student responses to the applied intervention of peer-assisted learning (Kroeger & Kouche, 2006).

- (d) Describe the organization's plans to monitor performance of the portfolio as a whole. What actions will you take if the network as a whole fails to meet goals?

The approaches to instruction and intervention at MBAHHHS described above also apply to the network as a whole. Thus, as previously described, MBA's assessment of its network's academic progress begins at the teacher and classroom level. Formative assessments are used to measure student progress and identify areas of strength and weakness. Results of summative assessments from one year are used to set goals for the next year. That is, teachers, instructional coaches, and the administrative team work together in the beginning of the year to assess the data from the previous year in order to target levels of growth and improvement for every student in every core subject. School principals then use this data to target goals for their schools. The assessments, approach to data analysis, and involvement of key stakeholders described above allow us to consistently use data to drive decision-making.

Our data-based approach to making decisions at the school- and network-levels is designed to develop realistic goals as an organization and to identify and address areas for improvement as they emerge. Thus, we are constantly monitoring our progress and setting realistic expectations so that we are not blindsided by an unanticipated failure.

- (e) Discuss how the organization assesses its readiness to grow and under what circumstances the organization will delay or modify its growth plan.

Our success, including obtaining **Reward School** status for three of our charter schools, as well opening a STEM charter school, strongly suggest that MBA is ready to grow. In addition, our new elementary and middle charter schools in Hickory Hill provide a strong foundation on which to open a high school in Hickory Hill.

In terms of capacity, our existing schools are meeting their enrollment targets, student attrition is minimal, and we have successfully opened and maintained high quality facilities for all of our schools. Finally, in terms of finances, the network maintains a balanced budget and has room to grow. We would need to delay or modify our growth plans if any of the three core pillars of any successful school or network—academics, enrollment, or finances—showed significant weaknesses.

results to improve teaching and learning. Cambridge, MA: Harvard Education Press.

Bryk, A., Sebring, P. B., Allensworth, E., Luppescu, S., & & Easton, J. (2009). Organizing schools for improvement: Lessons from Chicago. Chicago, IL: University of Chicago Press.

Craig, S. D., Anderson, C., Bargagloitti, A., Graesser, A. C., Okwumabua, T., Sterbinsky, A., & Hu, X. (2011). Learning with ALEKS: The Impact of Students' Attendance in a Mathematics After-School Program. *Lecture Notes in Computer Science Artificial Intelligence in Education*, 435-437.

Fuchs, D., Fuchs, L. S., & Compton, D. L. (2012). Smart RTI: A next-generation approach to multilevel prevention. *Exceptional Children*, 78(3), 263-279.

Fullan, M. (2001). Leading in a Culture of Change. San Francisco: Jossey-Bass.

Gersten, R., Chard, D. J., Jayanthi, M., Baker, S. K., Morphy, P., & Flojo, J. (2008). Mathematics Instruction for Students with Learning Disabilities or Difficulty Learning Mathematics: A Synthesis of the Intervention Research. *Center on Instruction*.

Hattie, J. A. C. (2009). Visible learning: A synthesis of over 800 meta-analyses relating to achievement. London, UK: Routledge.

Hattie, J. A. C. (2012). Visible learning for teachers. London, UK: Routledge

Kroeger, S. D., & Kouche, B. (2006). Using peer-assisted learning strategies to increase response to intervention in inclusive middle math settings. *Teaching Exceptional Children*, 38(5), 6.

(n.d.). Retrieved March 1, 2016, from <http://www.rti4success.org/>

National Mathematics Advisory Panel. *Foundations for Success: The Final Report of the National Mathematics Advisory Panel* (Publication No. ED04CO0082/0001). (2008). Washington, DC: U.S. Department of Education. Retrieved from <http://www2.ed.gov/about/bdscomm/list/mathpanel/report/final-report.pdf>.

SECTION 2: OPERATIONS PLAN AND CAPACITY

2.11 Network Vision, Growth Plan, & Capacity (for existing operators)

- (a) Describe the network's strategic vision, desired impact, and five-year growth plan for developing new schools in Tennessee. Include the following information: proposed years of opening; number and types of schools; any pending applications; all currently targeted markets/communities and criteria for selecting them; and projected enrollments.

Our goal as a network is to have a positive impact within a community. While we view education as a primary driver in community improvement, we also recognize that students and their families need access to greater economic opportunities. In short, we seek to be a force for community

change.

To date, we have accomplished this in Frayser by building upon and further developing deep roots within the community through partnerships, outreach, employment, and economic development. This community-based strategy is a key component of our network commitment and shapes our growth plan. We seek to build excellent schools and have a long-lasting positive impact on the communities we serve.

In Frayser, we have pursued this goal through two primary strategies: (1) community connections; and (2) economic investment. In terms of the first goal, a primary example of these connections is our long-standing partnership with Faith United Methodist Church. This mutually-beneficial relationship has ensured that the schools are connected to the Frayser community and its residents. We also maintain relationships with the Frayser Neighborhood Council and engagement with the Frayser Exchange Club. We have also been involved with multiple activist groups working to improve Frayser, including Friends of Rodney Baber Park, Friends of the Frayser Library, the Frayser Gateway project, and a recent protest against a landfill near a Frayser elementary school. In essence, we develop connections to improve our connection to the community.

Wherever possible, we seek a positive economic impact. One way we do this is by employing members of the local community. Several of our faculty and staff come from the Frayser community. Additionally, we have intentionally employed MBAHS graduates in various positions to provide further economic uplift within the community. A second strategy has involved the intentional investment in facility and property in Frayser. For example, the current home of the MBA Middle and High Schools was previously a Kmart store. This was a building that was well on the way to turning into another blighted property in Frayser but now serves as a hub of educational, economic, and community activity.

The same process is underway with our purchase of the Frayser Plaza. This underutilized space will become the home to Memphis STEM Academy and our network offices. Again, it is important to note that this investment in Frayser is intentional. We could have purchased or leased property in another neighborhood to house Memphis STEM Academy (including sites that would have required little or no renovation). However, we are intentionally purchasing and renovating in the heart of Frayser because our commitment is to the community, not simply to our network schools.

While the initial focus on the Frayser area was intentional, we are now at a point in the network's history where we have expanded this work to Hickory Hill through establishing an elementary and middle school. These two schools have given us a positive presence in the Hickory Hill community. It is our intent to pursue the same strategy: create a K-12 pipeline while growing deep roots within the community through partnerships, outreach, employment, and economic development.

We currently serve over 1,300 students in our elementary, middle and high schools. We opened Memphis STEM Academy, a K-5 school serving about 120 students, in 2016. We also opened Memphis Business Academy Hickory Hill Elementary and Middle schools in 2018. We anticipate that our proposed high school will serve 100 students in its first year and 400 students at capacity.

Now that have established a presence in Hickory Hill through our elementary and middle school, we have a strong foundation upon which to build a great high school in Hickory Hill. Our desired impact is to provide our students with a strong foundation in the core subjects as well as economic skills, so they are equipped to confidently handle the demands of a challenging high school program, college, and the workforce.

- (b) If the existing portfolio or growth plan includes schools in other states, explain specifically how Tennessee fits into the overall growth plan.

Not applicable

- (c) Provide evidence of organizational capacity to open and operate high quality schools in Tennessee and elsewhere in accordance with the overall growth plan. Outline specific timelines for building or deploying organizational capacity to support the proposed schools.

The growth in achievement demonstrated by each of our three currently operating schools ranks in the top five percent of achievement gains among all schools in Tennessee. We have organized as a team to develop, execute, and implement a plan for Memphis STEM Academy. These facts lend strong support to our claim that the new schools we open will be high quality schools.

Our planning process for Memphis Business Academy Hickory Hill High School (MBAHHHS) is already underway. Our new school development team meets weekly to plan for the new schools. In terms of personnel, we have assembled a leadership team for the new school. We will staff this team with current MBA team members who have demonstrated the capacity for excellence, and we will recruit some new team members for these teams. Later in this section, we will describe our plan for recruiting high quality teachers for the new school.

We also have a plan in place to obtain a facility for MBAHHHS. We have surveyed Hickory Hill and identified promising facilities to host the new school near our existing elementary and middle schools. In addition, we have partnered with Regions Bank—with whom we have a great relationship as the bank has eagerly funded our past projects—to develop a clear understanding of the fiscal considerations in purchasing a facility. Concurrently, our CEO, Anthony Anderson, who was featured in this [SpiritMemphis.com cover story](#), will use his extensive network to search for a facility which we hope will be donated by the owner. He will work with our financial-savvy board members and Facility Manager of MBA, Robbin Sanders, a licensed real estate agent. We do not plan to take on a facility that we cannot financially sustain. We plan to invest no more than one million dollars for renovations of our new building.

The following is the proposed timeline for start-up:

Area of Need	Task	Responsible Individual	Timeline
Facilities	Identify a viable facility for lease		By time of approval

	Secure funding and begin renovations	CEO, CFO/COO, Board of Directors	Complete renovations by April 2020
School Leader	Identify school leader from within existing organization	CMO	Immediately upon charter approval
Student Enrollment	Internal enrollment (families within MBA system)	School Leader	Begin January 2020
	External recruitment activities (families outside MBA system)		Begin February 2020; continue until reach capacity
Teacher Recruitment and Hiring	Advertise positions	School Leader	Begin January 2020
	Begin interview and hiring process	School Leader, Academic Coaches, Chief Academic Officers, Director of Talent	Begin February 2020
Curriculum	Create/adapt curriculum maps	Academic Coaches, School Leader, Chief Academic Officers	Begin January 2020
Materials and Equipment	Identify and purchase needed materials and equipment (including instructional materials and furniture)	School Leader; CFO/COO	Summer 2020
Administrative Support	Identify or hire school administrative assistant	School Leader, Director of Talent, CEO, CFO/COO, Executive Assistant	January 2020

- (d) If applicable, list any schools that were previously approved by this or another authorizer but which failed to open or did not open on time, and explain the reasons for the failure or delay.

Memphis Business Academy Hickory Hill Elementary and Middle Schools began serving students in 2018, one year later than we had anticipated. MBA focuses on intentional, steady, and sustainable growth in enrollment. Rather than pushing to secure high-quality staff, facilities, and materials for our new schools, while continuing to drive student achievement in our established schools, we opted to delay opening the new schools to ensure MBA was fully prepared to open two new schools. MBA's track record for success in improving student learning suggests that our intentional approach to growth serves students well.

- (e) Discuss the results of past replication efforts and lessons learned – including particular challenges or troubles encountered and how you have addressed them.

As previously noted, our two replication schools in Hickory Hill began serving

students this school year. To date, aside from securing high quality learning space for the schools, there have been no notable challenges or troubles.

- (f) Discuss the greatest anticipated risks and challenges to achieving the organization's desired outcomes in Tennessee over the next five years and how the organization will meet these challenges and mitigate risks.

We will serve students who have struggled in traditional school settings. We believe that by starting from the ground up and replicating our past successes with this student population, we will succeed in this challenge. More specifically, as noted above, all of our existing charter schools serve a high proportion of historically underserved students, yet the academic gains we are making with the students we serve have won each of our schools recognition from the state as **Reward Schools**. We will replicate these successes in the new school.

Another challenge for the network in starting a school is fiscal in nature. That is, can we fund the model of education we strive to provide for all of our students? We feel confident that we have a solid fiscal plan in place to provide a high-quality education to all of our students. We have already surveyed facilities and begun to discuss funding for a new facility with Regions Bank. Also, as noted, our CEO will attempt to identify a facility that will be donated to MBA for the new school. In terms of upholding our quality standards after we open, Section 3 (Financial Plan and Capacity) details our financial plan in great detail, showing how we will provide a high-quality education that is within our budget.

Finally, human capital is always a challenge for any school system, especially in the charter school sector. Specifically, we ask how will we find and retain high quality staff to run our new school? As noted below, we have a plan in place to attract high quality teachers, and we are assembling a leadership team for the new school by selecting talented staff members from the MBA network. Also, as noted in Section 1 (Academic Plan and Capacity), one of our goals is to provide teachers with ongoing, high quality professional development. Giving teachers opportunities to grow is important to retaining them. Finally, our success gives us an edge in staff recruitment over other networks in that we have a reputation for excellence and results that support it.

- (g) If you have already identified a charter school facility, indicate the location (including street address and school zone). Describe the facility, including whether it is new construction or part of an existing public or private school building. If a facility has not been identified, indicate any existing possibilities and the process that will be used to find a suitable facility. Include a timeline for facility selection and requisition.

The following locations are under consideration:

- Hickory Hill Pavilion - Former Value City Department Store (6393 Winchester, 38115)
- Hickory Hill Pavilion - Former Marshall's (6441 Winchester, 38115)

- Hickory Hill Pavilion - Former Office Max and Barnes & Noble (6389 Winchester and 6385 Winchester, 38115)
- Former Kmart (7060 Winchester, 38141)

(h) Provide, as Attachment L, the organization's most recent annual report.

See attachment L

2.12 Network Management (for existing operators)

- (a) Identify the organization's leadership team and their specific roles and responsibilities.

Current Leadership Team Positions

CENTRAL OFFICE:

Chief Executive Officer (CEO): The MBA network CEO oversees all aspects of operations and academics within the network. He is responsible for managing network financial, academic, and operational staff, either directly or indirectly.

Co-Chief Academic Officers (CAOs): The position of Chief Academic Officer is shared between two individuals. They are jointly responsible for all aspects of the instructional program across the network. The CAOs are responsible for setting academic standards, identifying curricula and assessments for the network, monitoring academic progress, overseeing the academic coaches, and maintaining academic quality across the network.

Chief Operating Officer (COO): The network COO is responsible for the organizational functioning of the network, reporting directly to the CEO. In addition to providing direct support to the school Principals on operational matters, the COO manages network relationships with Shelby County Schools and other partners.

Director of Talent: The director of talent bears responsibility for ensuring an adequately large and qualified applicant pool for all positions in the network. She attends recruiting sessions, develops our strategy for spreading the network's name among potential staff members, and implements our application structures and protocols. She also conducts screening interviews for all positions and helps coordinate candidate visits and offers. During the times of the years when she is not recruiting new Talent, she also provides support for new teachers and educational assistants.

Director of Data, Assessment, and Analysis: The Director of Data is responsible for collecting, analyzing, and reporting student assessment data across the network. She ensures timely analysis and presentation of results on both internal (e.g., interim assessments) and external (e.g., state) assessments.

Chief Financial Officer (CFO): The Chief Financial Officer is responsible for oversight and management of all aspects of the MBA network's financial administration. Reporting directly to

the Chief Executive Officer, the Chief Financial Officer leads the network's annual budgeting process, prepares and presents expense reports, coordinates organizational audits and preparation of federal and state filings, and manages the development and ongoing reporting needs of funding grants.

STEM Coordinator: The STEM Coordinator is a newly formed position. The coordinator will ensure the effective implementation of the K-12 STEM program across the network schools. She is responsible for professional development, the coordination of all STEM-related events, oversight of the after-school MBA NEXT program, and coaching of STEM teachers.

Another key aspect of our network approach is reflected in the recent creation of the director of talent position. While school-level staffing decisions are made in collaboration with the school principal, staffing is a network-wide function. Placement decisions are made at the network level, with teachers sometimes re-assigned to other schools within the network. The position of director of talent has allowed for the more efficient and effective recruitment, interviewing, and selection of teachers and leaders for the network as a whole.

The recent and forthcoming additions also reflect the changes in the academic model, as the network-wide improvements around curriculum, instruction, and assessment require additional leadership capacity.

Future Changes: While the organizational structure, particularly at the leadership level, has undergone significant changes over the past several months, these changes serve both as a more efficient approach to serving the needs of the current schools (e.g., adding a director of talent position) and as a strategic preparation for the upcoming growth. The organizational structure anticipates the current and anticipated growth in Hickory Hill through the more formal centralization of academic decisions at the network level and the creation of positions (e.g., Chief Operating Officer) that will support the development of operational capacity.

- (b) Provide, as **Attachment M**, the organization charts for Year 1 network as a whole (including both network management and schools within the network), Year 3 network as a whole and Year 5 network as a whole. The network organization charts should clearly delineate the roles and responsibilities of – and lines of authority and reporting among – the governing board, staff, any related bodies (such as advisory bodies or parent/teacher councils), and any external organizations that will play a role in managing the schools. If the school intends to contract with a charter management organization clearly show the provider's role in the organizational structure of the school.
- (c) Explain any shared or centralized support services the network organization will provide to schools in Tennessee. Describe the structure, specific services to be provided, the cost of those services, how costs will be allocated among schools, and specific service goals. How will the organization measure successful delivery of these

services? (In the case of a governing board proposing to contract with a management organization, service goals should be outlined in the term sheet and draft contract).

We will not provide any services to schools in Tennessee.

Using the table below, summarize school- and organization-level decision-making responsibilities as they relate to key functions.

Decision Rights

The location of decision rights reflects our overall strategy of centralizing academic functions while providing school principals with operational control, except in those areas that reflect shared network characteristics (e.g., cultural norms) or rely upon services that are centralized (e.g., transportation).

FUNCTION	NETWORK DECISION-MAKING	SCHOOL DECISION-MAKING
Performance Goals	Make	Principal Input
Curriculum	Make	Principal Input
Professional Development	Make	Principal Input
Data Management and Interim Assessments	Make	Principal Input
Promotion Criteria	Make	Principal Input
Culture	Make	Principal Input
Budgeting, Finance, and Accounting	Make	Principal Input
Student Recruitment	Input	Principal Make
School Staff Recruitment and Hiring	Input	Principal Make
H/R Services (payroll, benefits, etc.)	Make	Principal Input
Development/ Fundraising	Make	Principal Input
Community Relations	Input	Principal Make
I/T	Make	Principal Input

Facilities Management	Make	Principal Input
Vendor Management / Procurement	Make	Principal Input
Other operational services, if applicable	Make	Principal Input

2.13 Network Governance (for existing operators)

- (a) As applicable, describe the governance structure at the network level and how that relates to the individual school.
- Will each school/campus have an independent governing board, or will there be a single network-level board governing multiple schools? If there will be a network-level board, discuss the plan for satisfying the statutory requirement of either: having a parent from one of the network's Tennessee schools serve on the governing body, or having advisory councils at each school.

There is a single network-level board governing multiple schools. The governing board of MBAHHHS is comprised of the same individuals responsible for the operation of the existing network schools.

- (b) Describe the size and composition (current and desired) for the board. Explain how the proposed governance structure and composition will help ensure that there will be active and effective representation of key stakeholders.

MBAHHHS will be governed by the board of directors of the sponsoring organization, Memphis Business Academy, Inc. The MBA Board of Directors has between 4 and 8 members, not including ex-officio members. By design, the board includes members from the business, non-profit, and education sectors as well as persons who live, work, or do business in the community. Board membership is intended to provide insight into the community, the needs of youth, and the world of business.

Admittedly, in recent years, the board has not included a substantial number of educators. In the early years of Memphis Business Academy Middle and High School, the presence of educators on the board was crucial, as they provided critical insight into the issues of curriculum, instruction, and students. However, as the schools grew and the organization developed greater capacity, the inclusion of educational expertise on the board became less of a priority. Instead, what was needed was oversight with respect to the issues of business, particularly issues of finance and facility, as well as knowledge of the community. As a result, the composition of the board transitioned to include proportionally more business and community-oriented members.

FULL NAME	CURRENT JOB AND EMPLOYER	AREA OF FOCUS/EXPERTISE
DIANE ANDERSON	Dental; Assistant; University of Health and Science Center	Community Service/Outreach
ZACHARY BEASLEY	Chaplain/Adjunct Professor; Rust College	Public Relations
BARBARA BENNETT	MBA grand parent & Frayser resident	Parent/Community Involvement
TONY REEDER	Manager; Fed Ex Pastor; United Methodist	Community Service/Outreach

	Church	
BIANCA RUSSELL	Accountant; CB Richard Ellis	Finance
SHAWN THOMAS	Group Vice President: Citizens Bank	Finance

- (c) Discuss the powers and duties of the governing board(s). Identify key skills, areas of expertise, and constituencies that will be represented on the governing board(s).

Specific Functions/Powers of Directors

Fiscal oversight is one of the most important aspects of the board's responsibilities; therefore; the board's fiduciary responsibility will receive critical attention during the first year of MBAHHHS operation. The board will provide intense financial oversight of the school's funds to ensure that they are being efficiently, effectively, and appropriately spent. Monthly financial reports will be provided to the board by the CEO.

According to the by-laws, the board of directors will also have the power:

1. To elect and remove directors.
2. To select and remove officers, agents, and employees of Memphis Business Academy Hickory Hill High School.
3. To design and approve the job descriptions for all employees.
4. To make rules and regulations that will assist the principal, COO, and CEO with the day-to-day operations of the school.
5. To negotiate all contracts in excess of \$5,000.00 necessary for the day-to-day operation of the school.
6. To make all decisions necessary for the investment of funds.
7. To acquire real or personal property, by purchase, lease, gift, devise, bequest, or otherwise, and to hold, improve, lease, sublease, mortgage, transfer in trust, encumber, convey, otherwise dispose of such property.
8. To borrow money, incur debt, and execute and deliver promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, and other evidences of debt and securities.
9. To review monthly financial statements.

- (d) Explain how this governance structure and composition will help ensure that a) the school will be an educational and operational success; and b) the board will evaluate the success of the school and leader.

The governing board will conduct formal administrator evaluations annually (mid-year and end-of-year review) using the Teacher Effectiveness Model (TEM) Administrator Evaluation Rubric. The rubric takes into account: 1) instructional leadership for continuous improvement; 2) culture for teaching and learning; 3) professional learning and growth; and 4) resource management. This evaluation instrument is based on research findings that identify instructional strategies or behaviors that, done correctly, and in appropriate circumstances, have a positive probability of improving student learning.

- (e) Explain how the interests of individual schools will be balanced with network interests and how key stakeholders will be represented.

The decision-making responsibilities for the network compared to the school illustrate how

the school's interests will be balanced with network interests. The school has the power to make scheduling, personnel, student recruitment, community outreach and other school-specific decisions, like extracurriculars. These powers provide the principal with enough control to effectively evaluate and manage staff and set positive school culture. The network is responsible for making higher-level decisions. The board will uphold these roles and responsibilities.

- (f) Will the charter be held by the same existing non-profit board or will a new board be formed?
- If the existing board will also govern the new school:
 - Include a copy of the by-laws and organizational chart, with emphasis on what changes, if any, will need to take place at the board level for it to be effective (i.e., add members, redistribute roles, responsibilities, etc.).
 - Discuss any plans to transform the board's membership, mission, and by-laws to support the charter school expansion/replication plan. Describe the plan and timeline for completing the transition and orienting the board to its new duties.

Yes, the proposed charter replication will be governed by the existing board. MBA's by-laws are provided in **Attachment X** below. It is not necessary for the board to transform its makeup, mission, and bylaws. However, at some point in the development of MBAHHHS, it may become advantageous to recruit more board members with multiple professional skill sets. In this event, there would be changes in board makeup, but not mission or bylaws. However, any such basic change in governance structure will be reviewed with the District for approval before being implemented. This is not a change that MBAHHHS intends to pursue in connection with the expansion/replication plan, but is simply a future possibility that should be noted at this time.

- If a new board will be formed:
 - Describe how and when the board will be created and what the relationship between the two boards will be (including any overlapping responsibilities). Please include biographies of the new board members, roles and responsibilities needed to govern the new school, organizational chart, and governing board structure. If available, include the by-laws of the new governing board. Please indicate if the charter will ultimately be held by the existing non-profit or a different non-profit board. If the latter, explain the transition.

Not applicable

2.14 Charter School Management Contracts (for existing operators, if applicable)

- (a) If the proposed school intends to contract with a charter management organization (CMO) or other education service provider (ESP) for school management, provide the following information as **Attachment N**:
- An explanation of how and why the CMO was selected;
 - A term sheet setting forth the proposed duration of the contract; roles and responsibilities of the school governing board, the school staff, and the service provider; scope of services and resources to be provided by the CMO; performance evaluation measures and mechanisms; detailed explanation of compensation to be paid to the provider; financial controls

and oversight; methods of contract oversight and enforcement; investment disclosure; and conditions for renewal and termination of the contract;

- A draft of the proposed management contract;
- Disclosure and explanation of any existing or potential conflicts of interest between the school governing board and proposed service provider or any affiliated business entities; and
- Documentation of the service provider's non-profit status and evidence that it is authorized to do business in Tennessee.

Not applicable

2.15 Personnel/Human Capital - Network-wide Staffing Projections (for existing operators)

Complete the following table indicating projected staffing needs for the entire network over the next five years. Include full-time staff and contract support that serve the network 50% or more. Change or add functions and titles as needed to reflect organizational plans. If the proposed school plans to use a staffing model that diverges from the school staffing model in the original application, please explain.

Year	Year 1	Year 2	Year 3	Year 4	Year 5
Number of elementary schools	3	3	3	3	3
Number of middle schools	2	2	2	2	2
Number of high schools	2	2	2	2	2
Total schools	7	7	7	7	7
Student enrollment	1,600	1,800	2,000	2,200	2,200

Management Organization Positions	Year 1	Year 2	Year 3	Year 4	Year 5
Chief Executive Officer	1	1	1	1	1
Chief Financial Officer	1	1	1	1	1
Chief Operating Officer	1	1	1	1	1
Co-Chief Academic Officer	1	1	1	1	1
Co-Chief Academic Officer	1	1	1	1	1
Director of Data	1	1	1	1	1
Director of Talent	1	1	1	1	1
Dean of Students	1	1	1	1	1
Finance	1	1	1	1	1
Human Resources	1	1	1	1	1
Facilities	2	2	2	2	2
Transportation	2	2	2	2	2
Total back-office FTEs	14	14	14	14	14

Elementary School Staff	Year 1	Year 2	Year 3	Year 4	Year 5
Principals	3	3	3	3	3
Assistant Principals	3	3	3	3	3
Add'l School Leadership Position 1 [specify] Academic Coaches	4	4	4	4	4
Classroom Teachers (Core Subjects)	32	41	51	61	73
Classroom Teachers (Specials)	16	13	16	19	21
Instructional Support	6	6	6	6	6
Teacher Aides and Assistants	10	14	18	22	26
Total FTEs at elementary schools	74	84	101	118	136

Middle School Staff	Year 1	Year 2	Year 3	Year 4	Year 5
Principals	2	2	2	2	2
Assistant Principals	1	1	2	2	2
Add'l School Leadership Position 1: Academic Coaches	5	5	5	5	5
Add'l School Leadership Position 2: Dean of Students	1	2	2	2	2
Classroom Teachers (Core Subjects)	26	32	38	38	38
Classroom Teachers (Specials)	14	16	18	18	18
Student Support Position 1 [e.g., Social Worker]					
Teacher Aides and Assistants	8	10	12	12	12
Total FTEs at middle schools	57	68	79	79	79

High School Staff	Year 1	Year 2	Year 3	Year 4	Year 5
Principals	2	2	2	2	2
Assistant Principals	1	1	2	2	2
Deans	2	2	2	2	2
Add'l School Leadership Position 1: Academic Coaches	10	10	10	10	10
Classroom Teachers (Core Subjects)	48	48	48	48	48
Classroom Teachers (Specials)	24	30	36	40	48
Teacher Aides and Assistants	6	7	8	10	10
Total FTEs at high schools	6	8	10	12	12
Total Network FTEs	49	58	68	76	84

2.16 Personnel/Human Capital – Staffing Plans, Hiring, Management, and Evaluation (for existing operators)

In this section complete the following, if not previously addressed (in 2.4):

- (b) Describe the organizational structure of the proposed school.

SCHOOL-BASED POSITIONS

Principals: MBA network principals are charged with running high-performing schools. They are responsible for maintaining adequate student enrollment, managing school staff, ensuring positive school culture, and promoting positive relationships with families and the school community. In addition, they work with the CAOs and academic coaches to ensure effective classroom instruction.

Academic Coaches: Academic Coaches are responsible for observing teachers and providing academic support through individual coaching sessions and teacher professional development. They work with the CAOs and school principals to ensure effective implementation of curriculum and instruction. Most of the coaches have split coaching and instructional responsibilities and are designated as school-level staff. A small number of coaches are full-released from instructional responsibilities and serve multiple schools as Central Office staff.

Teachers: Teachers are the primary component of the instructional team. Teachers carry out vital functions of classroom teaching in the core areas of instruction; maintaining the school registry and student achievement data base; creating delivery strategies for the established curriculum; and executing the established code of behavior and discipline. Each teacher will have a classroom with a maximum of 20 students.

Administrative Assistant - This individual will support the principal, business manager, and teachers in carrying out the day-to-day functions of the school. Responsibilities include expediting telephone and written communications; providing clerical support in documenting student enrollment and daily attendance, recording financial receipts and disbursements; assisting in supervision of students as directed.

- (c) Provide the school organizational chart as **Attachment G**.
- (d) Delineate the relationship of the school organization to the network organization as a whole.

The board of directors of the MBA Hickory Hill High School assumes ultimate authority and accountability for all matters of school governance and administration. The board ensures that all provisions of the charter, contract and mission are fulfilled in a manner consistent with the spirit and letter of the law. The board oversees financial management of the school via budget establishment and monitoring; review of audit methods and findings; compliance with principles of sound fiscal management. The CEO is responsible for evaluating the performance of the principal and COO, and the CEO reports to the board of directors.

In accordance with the role that the CEO serves in the current MBA network, the CEO will serve as the liaison between MBA's board of directors and the COO and as the financial officer for the school. Whereas the board is not involved in the day-to-day operation of the school, the CEO will be more closely involved with operational decisions, as he/she is at MBA's schools. For example, he/she will disburse and account for all funds, administer all grants, and ensure the smooth operation of the physical plant. The CEO will also be responsible for school fundraising and will serve as a liaison with the Shelby County Schools charter school office and the Office of Federal

Programs of the State Department of Education. As a liaison between the board and the school, the CEO will also oversee the decisions and actions of MBAHHHS's principal and MBA's leadership team. In most cases, all decisions related to students, academic programs, and personnel will be left to the COO and the principal. However, the CEO will monitor these decisions and will have the authority to override the principal or COO's decisions if they appear to violate the policies or wishes of the board.

As is the case with MBA's currently operating charter schools, MBAHHHS will benefit from the leadership of the COO. As noted in the discussion of the CEO's role, the COO will provide leadership as needed with regard to academic, personnel, and student-related matters. For example, the COO will work with the principal to interview teacher and staff candidates and make hiring recommendations to the CEO and board. Similarly, the director of talent will also work with the principal on the teacher evaluation process to ensure that teachers receive a fair and thorough evaluation with a well-designed plan for growth. The director of talent will also assist the principal in cases of gross violations of the student code of conduct. He/she will meet with the principal and the parents/guardians to assist in developing a plan of action. In sum, the COO will play a role that is similar in some respects to the support functions provided by the Central Office of a district (e.g., human resources, pupil services, professional development, etc.). The director's role is not to intervene on the routine, day-to-day operations of the school but to provide support on issues that are critical to the effective operation of the school (e.g., employee hiring).

- (e) Describe the operator's current or planned process for sourcing and training potential school leaders. Explain how you have developed or plan to establish a pipeline of potential leaders for the network as a whole. If known, identify candidates already in the pipeline for future positions.

We use three nationally recognized programs to develop school leaders. The three programs, National Academy of Advanced Teacher Education (NAATE), Leading Educators, and Accelerate Leadership Program develop school and teacher leaders through both authentic, hands-on practices, as well as adult learning practicums. A more detailed description of each program follows:

NAATE: This is a rigorous program designed to develop school and teacher leaders. Focusing on high needs schools, NAATE provides its participants with opportunities to eradicate achievement gaps by supporting teachers' instructional efforts with over 300 hours of professional development opportunities that are data driven and reflective of best practices.

- (f) Describe your organization's strategy and plans for recruiting and hiring teaching staff, including the plan for hiring highly qualified staff. Explain other key selection criteria and any special considerations relevant to your school design.

Our director of talent is critical coordinating teacher recruitment, retention, and development. This role bears responsibility for ensuring an adequately large and qualified applicant pool for all positions in the network. She attends recruiting sessions, develops our strategy for spreading the network's name among potential staff members, and implements our application structures and protocols. She also conducts screening interviews for all positions and helps coordinate candidate visits and offers. During the times of the years when she is not recruiting new Talent, she also provides support for new teachers and educational assistants.

We will approach the task of teacher recruitment through networking, asking existing teachers in the MBA organization to identify potential teacher candidates they might know. Also, we will continue to partner with Teach for America (TFA) to recruit high quality teachers. In addition to the networking strategy, we will also post ads in the Commercial Appeal, post ads at local universities, recruit at regional college hiring fairs, and send out email announcements to relevant LISTSERVS. We have found this approach to be a viable strategy for recruitment of teachers for the middle grades, as schools within the MBA network have previously been able to recruit and hire highly qualified, licensed middle school teachers, many of whom have come with several years of experience. To facilitate the application process, the application will be available for completion online.

The interview and selection process will be two-fold. In the first phase, prospective teachers will interview with one or more of the academic coaches and school principal. In this interview, the prospective teacher will teach a lesson and review assessment data. Our intent with this process is to gather information on the applicant's ability to teach and analyze data, as opposed to simply their ability to respond to interview questions. At the completion of the interview process, both groups collaborate prior to an employment decision being made.

- (g) Explain how the organization intends to handle unsatisfactory leadership or teacher performance, as well as leadership/teacher changes and turnover.

Teachers will be evaluated using the same process as other teachers in Shelby County Schools. Both announced and unannounced observations will be conducted by the school principal, CAOs, and academic coaches using the TEM 4.0 (or current observation instrument at the time of opening). Feedback will be provided within 24 hours. A plan of improvement will be developed and support provided in accordance with the plan. In collaboration with the COO, the school principal and academic coaches will re-observe to monitor the teacher's progress in meeting the plan. We believe that it is important for the COO, principal and academic coaches to be involved in this process in order to ensure teachers receive consistent feedback and a more seamless support process. In addition to the TEM scores, MBAHHHS will use internal benchmark assessments, NWEA assessments, and statewide assessments to measure student growth and achievement.

In addition to the formal evaluation feedback provided by the assistant principal and school principal, each teacher will receive ongoing feedback and support from the academic coaches and the COO. At this time, there is no plan for incentive or reward structures as part of the compensation system. Teachers will receive annual cost-of-living raises at a rate of 3%. While we recognize that compensation is important to teachers and fully believe in creating opportunities for high-performing teachers to earn more, our strategy for retaining high-performing teachers focuses more heavily on work environment than pay. It is our experience that teachers who receive strong support and have opportunities to play integral roles in the organization will remain loyal to the school. The benefits of small class sizes and a collegial and supportive work environment are attractive to teachers, even in the face of opportunities for higher pay elsewhere (particularly as those higher-paid positions often come with longer hours and bigger classes). From previous experience, we know that high-performing teachers who have left the MBA organization primarily in response to higher pay often seek to return.

One of the ongoing challenges of celebrating teacher excellence on a day-to-day basis is documentation. As a result, MBAHHHS plans to use MBA's existing student behavior tracking system to record "merits" for teachers. The school principal, CAOs, and academic coaches will have the capacity to enter merits for teachers to track examples of excellence (e.g., a highly-effective lesson that is not formally recorded as part of an evaluation). This will allow the school principal to maintain an ongoing record of examples of teacher excellence in absence of written formal observations.

In cases of unsatisfactory teacher performance, the response depends on the nature of the performance failure. If the issue is within the classroom (e.g., poor classroom management), the first point of intervention will be performed by the Academic Coaches. In collaboration with the CAOs, they will establish specific goals and deliverables in the teacher's areas of improvement, and the coaches are responsible for following-up to determine whether improvement has occurred. In order to assist teachers in accomplishing their goals, coaches implement research-based strategies, such as co-teaching, one-on-one coaching sessions and/or peer observation opportunities. In all cases, every effort will be made to support the teacher so that he or she has an opportunity to succeed and improve, even if in a different setting.

If the performance failure is non-instructional (e.g., attendance), the first intervention will be handled by the school principal. Clear expectations for improvement will be documented with a timeline for follow-up. Ongoing poor performance will result either in the non-renewal of the contract at the end of the school year or the termination of the current contract in extreme cases, such as if the teacher's continued employment poses a clear threat to the organization or students (e.g., instances of inappropriate behavior toward students, families, or other staff) or if efforts to help the teacher improve his or her performance have been unsuccessful (e.g., ongoing unexcused absences).

The same is true with regard to unsatisfactory leadership. Ongoing poor performance will result in the non-renewal of the annual contract.

SECTION 3: FINANCIAL PLAN AND CAPACITY

3.4 Financial Plan (for existing operators NOT required to complete Sections 3.1 and 3.2)

- (i) Describe the systems and processes by which the organization will manage accounting, purchasing, payroll, and audits. Specify any administrative services expected to be contracted; and describe the criteria and procedures for the selection of contractors.

Financial Policies: The chief financial officer (CFO) oversees the daily fiscal and accounting functions of MBA's network of schools (including MBAHHHS) and will report to the CEO and the board. The board will have overall responsibility for fiscal oversight.

Payroll Policy and Procedure: MBAHHHS shall maintain a payroll system that is approved by

the board of directors administered on a bi-monthly basis by a payroll service. Paychex will be used to process the payroll. The CFO notifies the payroll service of any changes to the payroll master file. The payroll service generates the payroll register, payroll checks and tax deposits checks, and sends them to the organization. The CFO reviews the payroll register for proper processing of amounts. The Paychecks will generally be distributed on the 15th and 30th day of the month with the exception of payment for the month of August. If the payday should fall on a holiday or weekend, checks will be distributed on the previous working day, if possible. Ten-month employees' annual salaries will be evenly divided across 24 pay periods, in accordance with MBAHHHS' regular 12-month payroll practices.

All compensation provided to employees by MBAHHHS will be subject to applicable payroll taxes and withholdings in accordance with federal, state and local laws. Mandatory deductions, such as social security and Medicare, will be made automatically by MBAHHHS. However, for such mandatory deductions as state and federal income taxes where MBA must rely on information provided by an employee, it is the sole responsibility of the employee to provide accurate information within legal limitations. Voluntary deductions will not be made without the employee's written request or authorization.

Documentation of authorized pay rates shall be maintained in employees' personnel files. Personnel files will be kept in a secure location and access will be limited to the CEO, CFO and Director of Schools. The CFO will review the payroll register to ensure that the amounts are processed correctly.

Purchasing Policy and Procedure: As with MBA as a whole, MBAHHHS will consider three factors when purchasing goods and services: (a) price; (b) quality; and (c) dependability. Particular vendors may be chosen for any one or any combination of these factors; however, at all times the selection of a particular good, service, or vendor shall be with the intention of maintaining a top-quality school. In cases in which there are a very limited number of professionals who provide the needed service, MBAHHHS will make every reasonable attempt to secure more than one bid and will document these efforts. All contractual agreements will be in writing and will require board approval if they are greater than \$5,000.

A purchase requisition must be completed for all purchases greater than \$500 and must be approved by the CEO or CFO. A receipt or invoice will be attached to the requisition to confirm receipt of the goods.

The CEO will conduct routine review and management of purchases. All capital purchases must include a bid process, and long-term contracts are managed by the CEO and are subject to final approval by the board.

Audit Policy and Procedure: MBAHHHS's board of directors will set up a system of internal controls. The board must approve any budget change over \$5,000. Documentation from an audit conducted by an accountant certified by the State of Tennessee with knowledge of school budget and accounting procedures will be performed annually and provided to the MBAHHHS's board of directors, Shelby County Schools, and the State Comptroller of the Treasury. The CFO of MBA will serve as the chief fiscal officer for MBAHHHS.

In accordance with *Government Auditing Standards*, Memphis Business Academy (MBA) assures that business and financial processes are systematically analyzed and procedures are developed which are reviewed and revised by administration and auditors for the assurance of all activities related to proper initiation, authorization of transactions, security of assets and records and separation of duties.

MBA realizes that an internal control structure must be reassessed periodically to ensure it is functioning properly and is in accordance with Federal, State and Local system requirements. As such, MBA hereby certify that its internal control plan will be monitored so that operational and procedural changes related to processes are properly incorporated and that internal control identified weaknesses are addressed.

MBA assures that business and financial processes are systematically analyzed and procedures are developed which are reviewed and revised by management and auditors for the assurance of all activities related to proper initiation, authorization of transactions, security of assets and records and separation of duties.

Management is keenly aware of our responsibility to safeguard the assets of the organization. It is a primary objective of the daily operations and long-range plans. Assessment of our systems and procedures remain an ongoing process. Actions are taken to ascertain that all necessary and cost-effective measures are carried out to fulfill the fiduciary responsibilities.

As required by law, the Memphis Business Academy Hickory Hill High School will arrange to conduct an external audit with a public accounting firm on an annual basis in compliance with General Accounting Principles (GAAP). The auditing process will be a methodical examination of financial records, concluding with a public report of the findings. MBAHHHS' financial audit will determine whether the *financial statements* are free of material misstatements. The audit will include an examination of *evidence* supporting the amounts and disclosures in the financial statements. The audit will also include assessment of the *accounting principles* used and *significant estimates* made by management. The auditor will consider *internal controls* by performing procedures to understand the design controls relevant to an audit of financial statements and federal financial assistance, and the auditor will assess whether the controls are operational.

The secretary/treasurer of the board will be responsible for hiring an independent auditor to perform an audit of the financial statements prepared by the management. The secretary/treasurer of the board will also have the ultimate responsibility to oversee the audit process. The committee will select an independent auditor from Shelby County Schools' list of approved auditors. MBAHHHS will provide complete and timely access to its books and other records (organizational-level and school-level) as requested by its independent auditor.

Upon completion of the audit, the secretary/treasurer of the board will have a meeting either in person or via a teleconference, with the independent auditor to discuss the report and any findings. At least a portion of that meeting will be conducted without the management staff presence to allow for candid communication from the audit team. A corrective action plan will be discussed

and implemented by the Secretary/Treasurer of the Board to correct any findings by the independent auditor. A copy of the audit report and any other correspondence will be provided to full Board of MBAHHHS. MBAHHHS will also submit a complete copy of the independent auditor's report to the Shelby County Schools.

- If applicable, describe the fiscal health of other schools in your network. Are any of the schools on fiscal probation or in bankruptcy?

All of the charter schools in the MBA network are in good financial health.

- Present, as **Attachment P**, a detailed budget narrative describing assumptions and revenue estimates.
- Include any committed contributions or in-kind donations of goods or services to be received by the charter school that will assist in evaluating the financial viability of the school. You should clearly indicate between those grants or in-kind donations which have already been firmly committed and those you are planning to pursue. For grants or donations that you are planning to pursue provide the source, estimated amount of contribution, and expected date of receipt if known.

With growing success and capacity has come the increased ability to raise money. In recent years, we have been able to secure funding from different local sources for use toward specific projects. Based on this recent record with regards to fundraising, we feel comfortable projecting that we will be able to share network administrative positions and raise \$150,000 for the short-term goal of supporting the school's start-up and early operations.

- Provide 24-month cash flow projections.

Our response to the above question relating to the cash flow projection is included in **Attachment O**. Pre-opening cash flow projection does not apply to MBAHHHS. Year 1 cash flow projection is estimated for our planning year (2021-22).

- Detail the contingency plan to meet financial needs if anticipated revenues are not received or are lower than estimated.

With experience in running charter schools comes recognition of the necessity of maintaining enrollment at the projected levels. Maintenance of enrollment is one of the keys to financial stability. However, even with consistent enrollment, unanticipated things can happen. The first element of the contingency plans would involve reducing expenses through the sharing of human resources with the other MBA schools. We are accustomed to running very lean budgets in the first few years of school operational and recognize the need to sometimes reduce cost by redeploying human resources or delaying purchases of physical resources. In the event of temporary shortfall caused not by lower-than-expected enrollment but by unforeseen circumstances, we do have the option of drawing upon a line of credit to temporarily bridge the gap.

- Describe Year 1 cash flow contingency, in the event that revenue projections are not met in advance of opening.

MBA focuses on building an operating reserve to cover the loss of a major grant or for start-up costs. To address any unexpected revenue shortfalls, programs will be re-evaluated and adjustments made. Fundraising goals will be increased. MBA's team has a demonstrated track record of success with regard to sound management of charter school finances.

- Explain how the organization will reach its fundraising goals over the next five years. Provide a development plan that includes staffing needs.

MBA leadership is actively involved and engaged in fundraising. Management will continue to share MBA's vision and invite donors to invest in that vision by becoming part of a Reward School Network. Relationships will be established over time to acquire major donors, larger grants from foundations and government funding. Fundraising and development will be a top priority for the next five years. MBA will develop additional management infrastructure to support the time commitment required for this type of focus.

Answers to questions below are included in **Attachment O**.

- (i) Provide, as **Attachment O**, a detailed budget for the proposed school, and as **Attachment Q**, the network budget as a whole. You may reference school-level budgets provided in the original application, as appropriate. Applicants must submit financial forms detailing:
 - A back-office budget
 - Financial implications of facilities plans
 - All major assumptions including but not limited to:
 - Student enrollment;
 - All anticipated funding sources¹, including:
 - Local, state, and federal per-pupil funding; eligibility levels; and annual increases;
 - Other government resources;
 - Private fundraising;
 - eRate; and
 - Student fees;
 - Total employee compensation (network/CMO level), including the percentage of the total compensation allocated for the proposed school;
 - Line items for each major expense and delineation of assumptions (at the school level only), including:

¹ Both the budget forms and narrative should specify the amount and sources of funds, property, or other resources expected to be available through banks, lending institutions, corporations, foundations, grants, etc. Note which are secured and which are anticipated, and include evidence of firm commitments, where applicable.

- Instructional materials and supplies;
- School equipment and furniture;
- Technology for student and instructional use;
- Professional development;
- Student assessments;
- Student information system;
- Special education services;
- Student activities;
- Contracted services at school (audit, I/T, PD, etc.);
- Rent and utilities;
- Office supplies and equipment;
- Technology for administrative use; and
- Fundraising materials and resources (non-staff);
- School start-up costs;
- Management fees and any other management compensation to the CMS or network (if applicable);
- Facility scenarios; and
- Capital, contingency, and insurance reserve funds.

SECTION 4: PORTFOLIO REVIEW/PERFORMANCE RECORD (FOR EXISTING OPERATORS)

4.1 Past Performance

- (a) Describe your existing educational program and whether or not it is a success.
- (b) Provide detailed student achievement and growth results for each school in the network as Attachment R.
- (c) Have the schools in the network demonstrated success in raising student achievement levels by meeting/exceeding state and national standards for most students?
- (d) If applicable, provide the graduation rates for each school in the network.
- (e) Using the Portfolio Summary Template, provide a detailed summary of all of the schools in the operator's portfolio as Attachment S.

One of the most widely cited studies in education research is the *Coleman Report* (Coleman et al., 1966). The report found that student background characteristics have a larger impact on their learning than their teachers and schools. This finding led some scholars to argue that schools cannot make that much of a difference in student outcomes. However, the evidence in **Attachment R** coupled with the demographic information in **Attachment S** strongly support our belief that a well-run organization can make a positive difference in student learning.

MBA has achieved a remarkable track record of success in education. The rapid rate of learning

across subjects and grades in MBA's schools demonstrates MBA's effectiveness and commitment to excellence. All three of MBA's operating charter schools earned **Reward School** status in 2015, based on their year-over-year academic growth ranking in the top five percent among all schools in Tennessee. MBA High School also earned **Reward School** status in 2014. Our results support our contention that we take students who have struggled in traditional school settings and provide them with a powerful education to put them on the path of success.

After earning Reward status, the data in Attachment R illustrates how MBA High has continued to improve student learning, especially in one of the most important areas: college and career readiness. The average score for MBA high school students on the 2018 ACT was 17.04. This average was significantly higher than the TVAAS model predicted, awarding MBA High with a level 5 TVAAS growth rating, indicating "significant evidence that the school's students made more progress than the Growth Standard." Since MBA's schools serve a disproportionately large share of historically underserved students relative to the district and state, exceeding growth targets in student learning is a truly remarkable achievement that is worth replicating.

MBA has also demonstrated a consistent trend toward improving its graduation rate. While MBA has always had a strong graduation rate relative to most other high schools in Shelby County, it is now hovering just under 100 percent completion, at 98.5 percent. Replicating MBAHS would help put Hickory Hill's students on a path toward graduating high school and enrolling in college.

Despite the challenge of improving the learning outcomes of students who struggle in traditional schools, MBA High is a top high school in Shelby County. According to the *Shelby County Charter Schools: 2019 Annual Report*, with a score of 3.23 on the School Performance Framework, MBA High's academic performance is in the "Good" category, and it is the best high school in Frayser. Finally, the report finds that MBA High significant outperforms its regional comparison group. If we were to place MBA High in Hickory Hill, which is in essence what we propose to do with this replication, it would be the second best high school in Hickory Hill, while serving a population with the highest need. These results clearly demonstrate the educational value we bring to the students we serve.

These results are remarkable for MBA in that, as shown in **Attachment S**, we serve a population of students who have struggled in traditional schools. The essence of our success is our ability to rapidly advance student learning. That is, the academic progress we make with our students each year suggests that our students' learning will advance more and more over time.

- (f) Select one or more of the consistently high-performing schools that the organization operates and discuss the school's performance.
 - Be specific about the results on which you base your judgment that the school is high- performing.
 - Discuss the primary causes to which you attribute the school's distinctive performance.
 - Discuss any notable challenges that the school has overcome in achieving its results.
 - Identify any ways in which the school's success has informed or

affected how other schools in the network operate. Explain how the effective practice or structure or strategy was identified and how it was implemented elsewhere in the network.

Memphis Business Academy Elementary School (MBAE) has a remarkable track record for improving student learning. In addition, **MBA High School (MBAHS)** has shown consistent evidence of improving student achievement, especially for graduation rates and ACT scores.

Attachment R presents these schools' achievement results. MBAE made incredible gains between 2014 and 2015, indicated by a TVAAS "Level 5" rating, which means "Most Effective: Significant evidence that the school's students made more progress than the Growth Standard." MBAE achieved the same top TVAAS growth level in 2018, suggesting that it consistently improves student learning beyond other schools that serve a similar population. In addition, the achievement data suggest MBAE has adapted well to the new accountability measures, having reduced chronic absenteeism and English Language Proficiency by 12.1 and 10.1 percentage points, respectively.

This is a result of a careful self-study that took place as a result of MBA's commitment to using data to improve instruction. It was determined that students were taught content but not test-taking strategies. It was established that academic coaches were not used as much as they could be; more opportunities could have been created for teachers to review colleagues' lesson plans; teachers need more grade level and content planning time; and we need to increase informal observation geared towards improvement. MBAE implemented these changes, and the results speak for themselves.

MBAH has made consistent gains in achievement in end-of-course exams, and exceptional improvements in ACT scores. MBAH achieved a level 5 TVAAS growth rating, as well as Reward status for 2014 and 2015 school years, based on its improvement relative to schools serving a similar population of students. It continued to make gains, although not as remarkable, and experienced lower growth in 2018. There may be other factors because the data on achievement in **Attachment R** for Shelby High Schools indicates that most high schools had lower achievement and growth in 2018.

In terms of ACT scores, TVAAS indicates that MBAH's students have moderately or significantly exceeded the growth standard for the past three years for which data is available. Since the ACT tests student in all of the core subjects (math, English, reading, and science), MBAH's exceptional results suggest that its students are improving their content knowledge in core subjects, but they may need more test-taking skills for the EOC exams.

MBA High owes much of its phenomenal academic success to its data-driven practices, including research-based professional development, which has led to increased capacity of staff to tailor instruction to decrease students' deficiencies. A concerted effort between the Administrative Team, University of Memphis Math Professors, and the math and ELA academic coaches has resulted in an increase of teacher and student development and academic growth.

The teachers and administrators of MBAH have embraced a data-driven culture. The teachers' instructional practices are informed by students' academic and social data, and the administrators' organizational decisions are informed by school-wide data. Students are provided a rigorous, structured learning environment that is conducive to their academic growth and development.

College and Career Readiness standards guide teachers' practices in Mathematics and English/Language Arts. Implementation procedures have occurred in Mathematics, and teachers in this department returned a week earlier than the start date to receive additional training. They received three additional weeks of professional development prior to the start of the school year. They also participate in bi-weekly professional development opportunities facilitated by academic coaches, external content vendors, and/or CAOs. Teachers in the Mathematics department are observed once weekly. They receive constructive feedback from administrative staff once the findings of the observations are compiled.

The English/Language Arts teachers have nine-week curriculum maps that integrate the state standards, common core standards and college readiness standards into their practices. The teachers are observed at least once weekly, and the results of these observations are shared through meetings with the Curriculum Facilitator. Observation results are shared with the administrative staff as well. They receive bi-weekly professional development opportunities that explicitly provide guidance based on the results of classroom observations as well as the results of students' formative and summative assessments.

MBAHS continues to promote academic rigor, in-depth study, challenging coursework, and an infused study of Business and our newest addition, Science, Technology, Engineering, and Mathematics (STEM). Our STEM program explores various aspects of engineering through discussion, project demonstrations, and exhibits. Our STEM vision aligns with the Tennessee Department of Education's STEM Strategic Plan. As we move forward with strengthening STEM in our network, we want to think about STEM as a driving force with improving ACT data and College and Career Readiness. We anticipate our STEM department being a full functioning program that offers a STEM elective to every student and coordinates interdisciplinary project-based learning opportunities throughout the network. Our schools will incorporate a variety of career paths that are identified and nurtured through hands on student lead exploration. All interested executives in our network have opportunities to take STEM classes where project-based learning is paramount. The Engineering design process is the focus of these classes. Furthermore, skills learned in STEM classes translate to our Robotics program. All schools in our network have Robotic teams where creativity and the design process come alive.

- (g) Select one or more of the organization's schools whose performance is relatively low or not satisfactory and discuss the school's performance. Be specific about the results on which you base your judgment that performance is unsatisfactory.
- Describe the primary causes to which you attribute the school's problems.
 - Explain the specific strategies that you are employing to improve performance.

- How will you know when performance is satisfactory? What are your expectations for satisfactory performance in terms of performance levels and timing?

Memphis Business Academy Middle School (MBAM): As displayed in **Attachment S**, MBAM serves a disadvantaged population, as about 99% of its students are economically disadvantaged. The achievement indicators in **Attachment R** suggest that MBAM improved significantly in 2014 and 2015, the year MBAM received Reward status, but has made less-rapid progress since 2016.

As a data-driven organization focused on improving student achievement, the MBA leadership team studied the data and revised its strategy for math instruction. Analysis of MAP data indicated that most students in grades 6-8 begin the year with multiple content gaps in the common core standard progression. To address these gaps, we have begun to:

- Increase K-5 math classes to 90 minutes and provide in-class computer based, individualized intervention;
- Implement team teaching for students in grades 6-12;
- Promote individualized learning in grades 6 – HS using blended learning; and
- Emphasize mathematics investigation in business, science, STEM, and Robotics using application assignments and calculation/project notebooks.

These changes were based on an internal study in which we examined the impact of pulling students out of regular classroom instruction versus having one teacher in charge of all students. The study was only run for three months and identified a significant increase in scores for the Intervention Group compared to the Control Group that was kept in the regular classroom.

Based on our research and analysis, we have implemented a team-teaching model with blended learning. This approach will us to:

- Intervene with struggling students;
- Provide individualized learning for all students; and
- Close content gaps.

To implement these changes and prepare our staff, we have performed the following actions:

- Practiced the team-teaching model during MBA's Summer Institute;
 - Purchased Carnegie Learning Software License (6-12) and Dreambox License (K-8)
 - Provided vendor-led training on blended-learning during teacher in-service; and
 - Provided vendor-led training on the computer intervention during teacher in-service;
- (h) For all schools operating under another authorizer: provide, as Attachment T, the most recent performance/evaluation/renewal reports produced by the authorizer(s) (or by a third- party evaluator, if applicable).

Not Applicable

- (i) For all schools operating in the state of Tennessee: provide the following in Attachment U: (a) the last two years of audited financial statements for each school or school(s); and (b) the most recent internal financial statements, including balance sheets and income statements.
- (j) List any contracts with charter schools that have been terminated by either the organization or the school, including the reason(s) for such termination and whether the termination was for “material breach.”

NONE

- (k) List any and all charter revocations, non-renewals, shortened or conditional renewals, or withdrawals/non-openings of schools operated by the organization, and explain what caused these actions.

NONE

- (l) Explain any performance deficiencies or compliance violations that have led to formal authorizer intervention with any school operated by the organization in the last three years and how such deficiencies or violations were resolved.

NONE

- (m) Identify any current or past litigation, including arbitration proceedings, by school, that has involved the organization or any charter schools it operates. If applicable, provide in Attachment V: (1) the demand, (2) any response to the demand, and (3) the results of the arbitration or litigation.

NONE

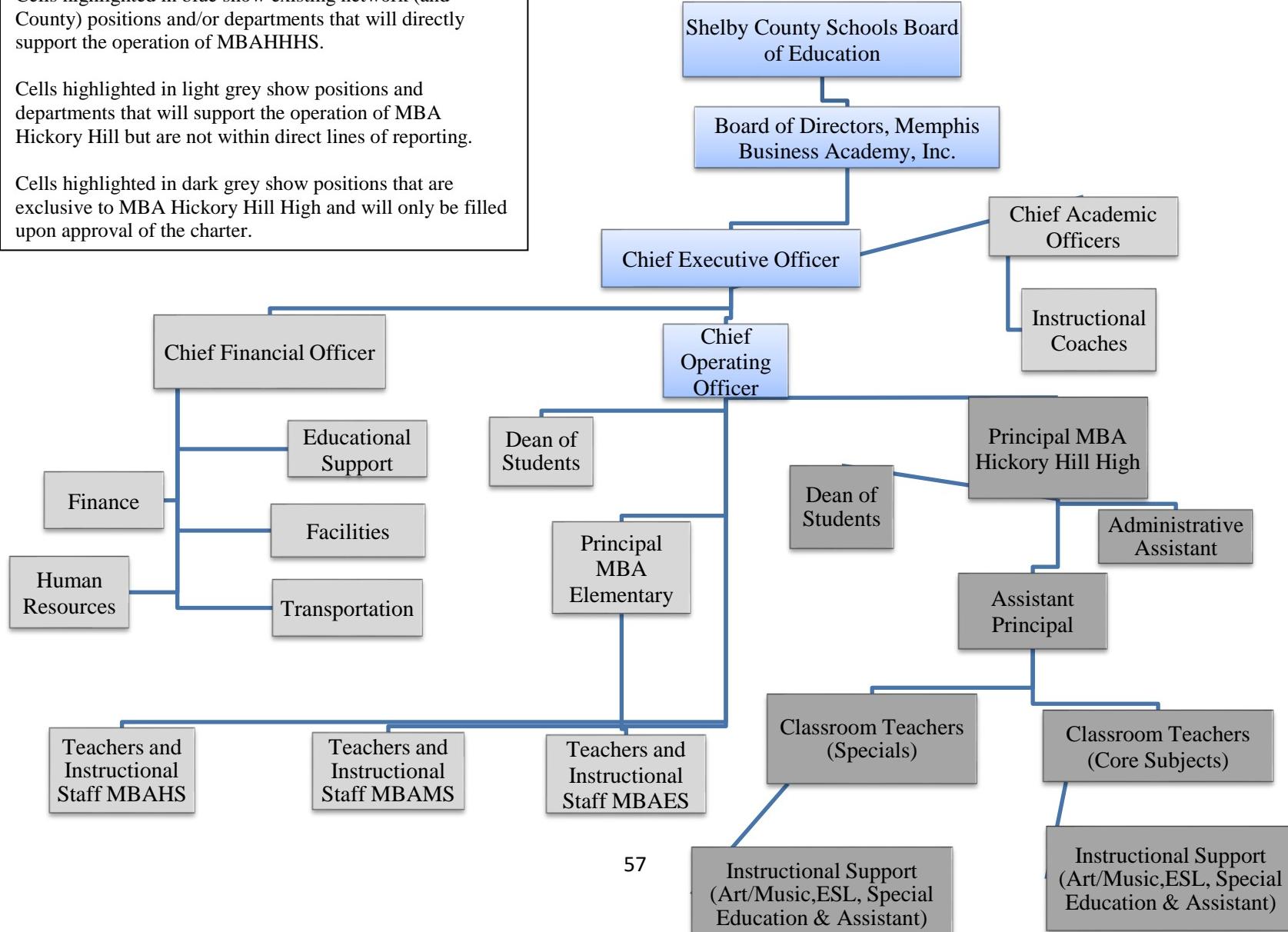
ATTACHMENTS

Attachment G: School Organizational Chart

Cells highlighted in blue show existing network (and County) positions and/or departments that will directly support the operation of MBAHHHS.

Cells highlighted in light grey show positions and departments that will support the operation of MBA Hickory Hill but are not within direct lines of reporting.

Cells highlighted in dark grey show positions that are exclusive to MBA Hickory Hill High and will only be filled upon approval of the charter.



Memphis Business Academy High

**3306 Overton Crossing
Memphis, TN. 38127**

Contact Person:

Mrs. Shunskis Hamilton -Principal

Telephone-901-357-8680

Fax-901-680-5375

shunskis.hamilton@mbaexecutives.org

www.mbacharterschools.org

**Report Due Date:
September 1, 2018**

Introduction to the School:

Memphis Business Academy – apart of Harmony Schools Charter Network Memphis Business Academy was created in 2005, we have focused on making a difference with children in the Memphis area.

MBAM and High received Reward School status in all of its schools in the network in 2016 for academic growth. We are dedicated to supporting lifelong learners. We promote academic rigor, in-depth study, challenging coursework, and a range of study that compliments a variety of student interests. Our MBA NEXT initiative infuses STEM (Science, Technology, Engineering, and Math) courses into our curriculum. Our college preparatory curriculum is filled with honors and Advanced Placement (AP) classes and allows for the individual progression of our Executives'

talents and interests. Our education program is structured so that every student will fulfill graduation and college entrance requirements.

Our Mission

The mission of the Memphis Business Academy is to ensure high academic achievement of students from the Frayser/Raleigh area and to help them to develop the knowledge, skills, and dispositions that will enable them to be successful in school and beyond.

The Academy is dedicated to the high quality teaching of mathematics, science, social studies, and language arts with a focus on business, entrepreneurship, and financial responsibility.

Through the implementation of innovative and effective instructional models, the school will meet state and national standards while developing independent and critical thinkers who possess the communication skills and quantitative literacy necessary to be successful in a high tech, global society.

Contact Information:	
Board President	Rev. Anthony Anderson & Dr. Celia Anderson
Board President Email Address	anthony.anderson@harmonycmo.com crouseea@memphis.edu
Board President Phone Numbers	901 -412-0465 901-491-9636
School Leader	Shunskis Hamilton
School Leader Email Address	Shunskis.hamilton@mbaexecutives.org
School Leader Phone Number	901-438-1474
School Mission Statement	<p>The mission of the Memphis Business Academy is to ensure high academic achievement of students from the Frayser/Raleigh area and to help them to develop the knowledge, skills, and dispositions that will enable them to be successful in school and beyond.</p> <p>The Academy is dedicated to the high quality teaching of mathematics, science, social studies, and language arts with a focus on business, entrepreneurship, and financial responsibility.</p> <p>Through the implementation of innovative and effective instructional models, the school will meet state and national standards while developing independent and critical thinkers who possess the communication skills and quantitative literacy necessary to be successful in a high tech, global society.</p>

Section I – Progress toward the charter school's goals (must include academic achievement)

MBA Goal	Measures
----------	----------

1. To promote academic success and high student achievement.	<p>At least 80% of the students will score above the 50th percentile in norm growth on NWEA in Reading or Math.</p> <p>Eighty percent or more of the students will reach individual RIT targets in Reading and Math.</p> <p>Increase ACT school average of 16% to 18% by the end of the 2017-2018 school year.</p>
2. To ensure that the school makes adequate yearly progress, as outlined in state and federal guidelines	<p>MBA students will participate in the end of the year state assessment during the 2017-2018 school year.</p>
3. To provide additional academic support for all students who are not yet meeting achievement benchmarks	<p>There will be 100% participation in academic support programs for all students not meeting school and district expectations for achievement. Students will participate in intervention/enhance opportunities, during and after school.</p>
4. To establish a positive school environment that meets the social and emotional needs of students and faculty	<ul style="list-style-type: none"> a. Student attendance rates will be at least 93% b. There will be low rates of teacher absences. <ul style="list-style-type: none"> c. Rates of teacher and student turnover will be below district averages d. Incidents of school violence will be below district averages e. Suspension and expulsion rates will be below district averages
5. To provide teachers with ongoing, high-quality professional development on subject matter content and culturally relevant pedagogy	<ul style="list-style-type: none"> a. Over 60 hours of teacher professional development will be offered annually b. Teachers will attend bi-weekly PLC meetings. c. Teachers will attend weekly content meetings d. Grade level planning will be conducted three times a week.
6. To maintain high levels of organizational accountability in the areas of student	<p>Annual accountability reports will be provided to the MBA Board consisting of information on student achievement, teacher evaluations, and financial status reports.</p>

academic achievement, faculty performance, and fiscal management	
--	--

English

Memphis Business Academy High School Executives showed an increase in approaching mastery for EOC English.

There was also an increase of 6 in on track/mastered data for the Spring 2017 assessment in the economically disadvantaged sub group. Our students with disabilities also showed promise with an increase of 6 scholars in the approaching/on track categories. Intentional support for our ELL population resulted in an increase of 5 Executives in approaching mastery in 2017. The tiered interventions to support growth includes content & academic vocabulary support in all classes. The number of scholars who were approaching, on track, and mastered increased to an additional 75 Executives in the super subgroup from Spring 2016 to Spring 2017.

Math

Memphis Business Academy High School Executives showed slight increases in approaching mastery for EOC Math.

There was also an increase of 10 who were approaching and 6 on track for the Spring 2017 assessment in economically disadvantaged sub group. Our students with disabilities and ELL population will continue to receive strategic support in mastering conceptual and procedural skills necessary for success. The tiered interventions to support growth includes academic vocabulary, pre-requisite skills, numerical fluency and problem-solving support. The number of scholars who were approaching and on track increased to an additional 8 Executives in the super subgroup from Spring 2016 to Spring 2017.

Section II – Student mobility: Identify the reasons students left the school during the last year.

Include the total number of students leaving for each reason. Do not include student names.

Describe any plans to improve student retention in the coming year.

Number of Students	Mobility Reason
5	Students were No Shows
2	Students moved Out-of-State
0	Parents work hours
0	Transportation Issues
2	Moved out of the school area
0	Home Schooled
Total	9

Plans to Improve Student Retention:

The primary focus of the school's initial recruitment/retention efforts will be to attract students from nearby schools in both the Frayser/Raleigh and Berclair area that have been placed on the

list of high priority schools. Efforts to reach out to the community and recruit/retain potential students will be conducted in a variety of ways including:

- Continue to update the network website
- Use social media to promote student achievement and recruitment
- Conduct open house and community informational meetings
- Neighborhood canvassing;
- Distribute promotional and informational materials to a variety of community groups and bulletin boards, as well as, library branches, and churches;
- Public service announcements on local radio and television stations;
- Press releases
- Advertising, if indicated, in local publications.

Section III – Operations and finance Describe what the school has done or will do in response to any operational or fiscal challenges faced during the past year. Address any findings from the most recently completed school audit. If the chartering authority formally notified the school of particular concerns, include a brief summary of those concerns and the school's efforts to remediate those concerns.

Section III – Operations and finance Describe what the school has done or will do in response to any operational or fiscal challenges faced during the past year. Address any findings from the most recently completed school audit. If the chartering authority formally notified the school of particular concerns, include a brief summary of those concerns and the school's efforts to remediate those concerns. Provide a detailed accounting, including the amounts and sources, of funds other than those funds received under per pupil state and local funds and federal allocations. Include any funds received from: 1) federal grants, 2) grants, gifts, devises, or donations from any private sources, 3) state funds appropriated for the support of the public charter school, and 4) any other funds that may be received by the local school district.

Memphis Business Academy (MBA) realizes that an internal control structure must be reassessed periodically to ensure it is functioning properly and is in accordance with Federal, State and Local system requirements. As such, MBA hereby certify that its internal control plan will be monitored so that operational and procedural changes related to processes are properly incorporated and that internal control identified weaknesses are addressed.

MBA assures that business and financial processes are systematically analyzed and procedures are developed which are reviewed and revised by management and auditors for the assurance of all activities related to proper initiation, authorization of transactions, security of assets and records and separation of duties.

Management is keenly aware of our responsibility to safeguard the assets of the organization. It is a primary objective of the daily operations and long range plans. Assessment of our systems and procedures remain an ongoing process. Actions are taken to ascertain that all necessary and cost effective measures are carried out to fulfill the fiduciary responsibilities.

The FY 2016 Independent Auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements in accordance with government auditing performed by McLean & Associates, PLLC identified no certain deficiencies in internal controls that were considered to be a significant deficiency.

Is the school fiscally sound?

Memphis Business Academy understands that it is critical to leverage financial resources and develop manageable, callable, policies and procedures that will impact student achievement. Sound financial decisions were used to directly drive increased results on the annual state standardized test. Intentional recruitment and hiring strategies netted experienced teachers with turnaround efforts and additional educational assistants.

With experience in running charter schools comes recognition of the necessity of maintaining enrollment at the projected levels. Maintenance of enrollment is one of the keys to financial stability. However, even with consistent enrollment, unanticipated things can happen. The first element of the contingency plans would involve reducing expenses through the sharing of human resources with the other MBA schools. The organization recognizes the need to sometimes reduce cost by redeploying human resources or delaying purchases of physical resources. In the event of temporary shortfall caused not by lower-than-expected enrollment but by unforeseen circumstances, we do have the option of drawing upon a line of credit to temporarily bridge the gap. The organization will continue its use of a development plan that includes staffing needs for re-evaluation and adjustments.

MBA's leadership is actively involved and engaged in fundraising. Management will continue to share MBA's vision and invite donors to invest in that vision by becoming part of a Reward School Network. Relationships will be established over time to acquire major donors, larger grants from foundations and government funding. Fundraising and development will be a top priority for the next five years. MBA will develop additional management infrastructure to support the time commitment required for this type of focus. MBA's team has a demonstrated track record of success with regard to sound management of charter school finances.

Section IV – Leadership changes Note any changes in board membership or school leadership during the past year.

- **Board Membership** added two new board members. They are Mr. Zachary Beasley and Ms. Jenesis Anderson.
- **Board Name Change:** From Memphis Business Academy to Harmony Schools

Harmony School Leadership Changes:

Personnel:	Roles:
Dr. L. Clark	Principal of Memphis STEM Academy
Mrs. S. Hamilton	Principal of Memphis Business Academy Middle & High School
Chief Academic Officers	Ms. A. Bobo (Reading/Language Arts) Mr. G. Thurman (Mathematics)
COO	Dr. Menthia Bradley
Director of Teacher Talent	Ms. T. Magee
Director of Data (Assessment)	Carmen Coleman
Board Members	Shawn Massey Shawn Thomas Tony Reeder---Chairman Zachary Beasley Diane Anderson Bianca Russell

Section V – Parent and community involvement Briefly summarize parent and community involvement efforts during the past year, including any new community partnerships. Describe how parent and community involvement affects student achievement.

Parental Involvement	Community Involvement
<ul style="list-style-type: none"> a) Staff members are also asked to make positive phone calls per week, to ensure that parents are aware of student successes. b) Parent/Teacher conferences are held three times a year. c) When progress reports and report cards are disseminated, it is mandatory that parents pick up these documents, so we know that they have received it. d) Two School Orientations are held two weeks before the 1st day of school. e) At least 20 hours of parental involvement and development activities will be provided each year f) Muffins for Mom event: Mothers or Guardians are invited to eat muffins with their mother or guardian. g) Donuts for Dad event: Fathers and/or guardians are invited to join their child(ren) to eat donuts. h) <i>Extra- and co-curricular activities of the school. Parents are involved in extra- curricular activities: Soccer, Basketball, Golf, Volleyball, Choir, Band, DECA, Cheer, and Majorette Team.</i> 	<ul style="list-style-type: none"> a) Kids in Nature have been doing a research with MBAM and MBAH for the past 3 years. b) Federal Express has built and maintained the school garden. c) Joy Circle of Germantown United Methodist Church. This group currently provides tutoring for students in MBA Elementary as well as funding for various initiatives (e.g., support of classroom libraries). d) MBA schools have partnered with other education organizations in mutually beneficial ways. In particular, one of the primary partners of the MBA schools has been Teach for America (TFA). Not only are Teach for America corps members placed in MBA schools, MBA has served as a site of the TFA summer institute in Memphis. This joint venture provides opportunities for TFA corps members to work with students and in-service teachers (Faculty Advisors) during the summer and offers MBA students with opportunities to get a “head-start” on academic content for the upcoming year. e) Facing History partners with MBA to provide culturally relevant training to teachers and students. f) Bancorp south - on our own financial seminars g) regions bank - financial and credit seminars - high school h) Memphis Music Initiative middle and high support for music department

	i) Clean Memphis – STEM curriculum and field experiences
Describe how parent and community involvement affects student achievement. Positive parental and community involvement has the potential to have a lasting impact on student achievement. Whether it is grades or standardized test scores, research indicates parental and community involvement has the potential to increase the results. We utilize the home-school connection in every effort to advance student achievement.	

Section VI – Promising practices/Action Steps Describe 3-5 operational practices that have had the most impact on student achievement.

1. Before school starts, MBA staff members attend a two week Teacher Institute. In an effort to successfully prepare for the upcoming academic year, teachers participate in professional development sessions with topics including Data Analysis, Common Core Integration, ACT College Readiness Standards and Technology Integration. They also participate in sessions regarding Content-specific topics as well as school specific topics. Staff collaborated to create and review School-wide Academic Norms, Culture (behavior) Norms, to work with schedules, and to create a draft of a year-long activity calendar.
2. During the school year, all staff members have content-specific PLC meetings. Seeing the need for additional teacher support and an increase of scores in all content areas, Academic Coaches were placed and are led by the CAO's.
3. Topics include Data Analysis, Common Core Integration, ACT College Readiness Standards, Technology Integration, Content-specific topics, and school specific topics. Staff worked together to create school norms, work with schedules, and create yearlong activities.
4. MBA teamed with TFA to implement a Summer Institution for students entering into grades K-12TH
5. Remediation began before school started in order to place students in the appropriate classes. Being a data driven school, we have incorporated student reports from previous academic year of testing, report cards, MAP Assessment and pre-assessments to determine appropriate teacher and student placement. Each student is specifically assigned their classes based on their strengths and needs, and teachers' lesson plans are tailored to fit their needs. During the school year, adjustments were made as needed.

Memphis Business Academy Middle

3306 Overton Crossing
Memphis, TN. 38127

Contact Person:

Mrs. Shunskis Hamilton -Principal
Telephone-901-357-8680
Fax-901-680-5375

shunskis.hamilton@mbaexecutives.org

www.mbacharterschools.org

Report Due Date:

September 1, 2018

Introduction to the School:

Memphis Business Academy – apart of Harmony Schools Charter Network Memphis Business Academy was created in 2005, we have focused on making a difference with children in the Memphis area.

MBAM and High received Reward School status in all of its schools in the network in 2016 for academic growth. We are dedicated to supporting lifelong learners. We promote academic rigor, in-depth study, challenging coursework, and a range of study that complements a variety of student interests. Our MBA NEXT initiative infuses STEM (Science, Technology, Engineering, and Math) courses into our curriculum. Our college preparatory curriculum is filled with honors and Advanced Placement (AP) classes and allows for the individual progression of our Executives' talents and interests. Our education program is structured so that every student will fulfill graduation and college entrance requirements.

Our Mission

The mission of the Memphis Business Academy is to ensure high academic achievement of students from the Frayser/Raleigh area and to help them to develop the knowledge, skills, and dispositions that will enable them to be successful in school and beyond.

The Academy is dedicated to the high quality teaching of mathematics, science, social studies, and language arts with a focus on business, entrepreneurship, and financial responsibility.

Through the implementation of innovative and effective instructional models, the school will meet state and national standards while developing independent and critical thinkers who possess the communication skills and quantitative literacy necessary to be successful in a high tech, global society.

Contact Information:	
Board President	Rev. Anthony Anderson & Dr. Celia Anderson
Board President Email Address	anthony.anderson@harmonycmo.com crouseea@memphis.edu
Board President Phone Numbers	901 -412-0465 901-491-9636
School Leader	Shunskis Hamilton
School Leader Email Address	Shunskis.hamilton@mbaexecutives.org
School Leader Phone Number	901-438-1474
School Mission Statement	<p>The mission of the Memphis Business Academy is to ensure high academic achievement of students from the Frayser/Raleigh area and to help them to develop the knowledge, skills, and dispositions that will enable them to be successful in school and beyond.</p> <p>The Academy is dedicated to the high quality teaching of mathematics, science, social studies, and language arts with a focus on business, entrepreneurship, and financial responsibility.</p> <p>Through the implementation of innovative and effective instructional models, the school will meet state and national standards while developing independent and critical thinkers who possess the communication skills and quantitative literacy necessary to be successful in a high tech, global society.</p>

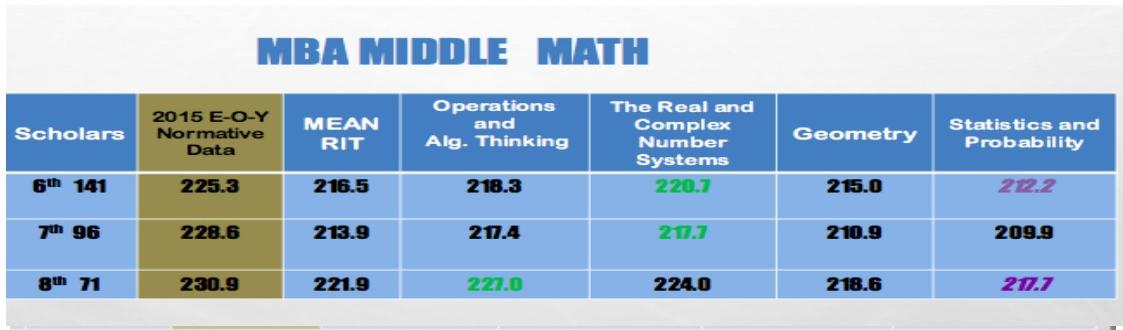
--	--

Section I – Progress toward the charter school’s goals (must include academic achievement)

MBA Goal	Measures
2. To promote academic success and high student achievement.	<p>At least 80% of the students will score above the 50th percentile in norm growth on NWEA in Reading or Math.</p> <p>Eighty percent or more of the students will reach individual RIT targets in Reading and Math.</p>
2. To ensure that the school makes adequate yearly progress, as outlined in state and federal guidelines	MBA students will participate in the end of the year state assessment during the 2017-2018 school year.
3. To provide additional academic support for all students who are not yet meeting achievement benchmarks	There will be 100% participation in academic support programs for all students not meeting school and district expectations for achievement. Students will participate in intervention/enhance opportunities, during and after school.
4. To establish a positive school environment that meets the social and emotional needs of students and faculty	<ul style="list-style-type: none"> c. Student attendance rates will be at least 93% d. There will be low rates of teacher absences. <ul style="list-style-type: none"> c. Rates of teacher and student turnover will be below district averages d. Incidents of school violence will be below district averages e. Suspension and expulsion rates will be below district averages
5. To provide teachers with ongoing, high-quality professional development on subject matter content and culturally relevant pedagogy	<ul style="list-style-type: none"> e. Over 60 hours of teacher professional development will be offered annually f. Teachers will attend bi-weekly PLC meetings. g. Teachers will attend weekly content meetings h. Grade level planning will be conducted three times a week.

6. To maintain high levels of organizational accountability in the areas of student academic achievement, faculty performance, and fiscal management	Annual accountability reports will be provided to the MBA Board consisting of information on student achievement, teacher evaluations, and financial status reports.
--	--

Spring 2017 NWEA Reading



Spring 2017 NWEA Math

Green Indicates area of relative strength

Purple Indicates area of growth opportunities

Section II – Student mobility: Identify the reasons students left the school during the last year.

Include the total number of students leaving for each reason. Do not include student names.

Describe any plans to improve student retention in the coming year.

Number of Students	Mobility Reason
17	Students were No Shows
1	Students moved Out-of-State
0	Parents work hours
0	Transportation Issues
0	Moved out of the school area
0	Home Schooled
Total	18

Plans to Improve Student Retention:

The primary focus of the school's initial recruitment/retention efforts will be to attract students from nearby schools in both the Frayser/Raleigh and Berclair area that have been placed on the list of high priority schools. Efforts to reach out to the community and recruit/retain potential students will be conducted in a variety of ways including:

- Continue to update the network website
- Use social media to promote student achievement and recruitment
- Conduct open house and community informational meetings
- Neighborhood canvassing;
- Distribute promotional and informational materials to a variety of community groups and bulletin boards, as well as, library branches, and churches;

- Public service announcements on local radio and television stations;
- Press releases
- Advertising, if indicated, in local publications.

Section III – Operations and finance Describe what the school has done or will do in response to any operational or fiscal challenges faced during the past year. Address any findings from the most recently completed school audit. If the chartering authority formally notified the school of particular concerns, include a brief summary of those concerns and the school's efforts to remediate those concerns.

Section III – Operations and finance Describe what the school has done or will do in response to any operational or fiscal challenges faced during the past year. Address any findings from the most recently completed school audit. If the chartering authority formally notified the school of particular concerns, include a brief summary of those concerns and the school's efforts to remediate those concerns. Provide a detailed accounting, including the amounts and sources, of funds other than those funds received under per pupil state and local funds and federal allocations. Include any funds received from: 1) federal grants, 2) grants, gifts, devises, or donations from any private sources, 3) state funds appropriated for the support of the public charter school, and 4) any other funds that may be received by the local school district.

Memphis Business Academy (MBA) realizes that an internal control structure must be reassessed periodically to ensure it is functioning properly and is in accordance with Federal, State and Local system requirements. As such, MBA hereby certify that its internal control plan will be monitored so that operational and procedural changes related to processes are properly incorporated and that internal control identified weaknesses are addressed.

MBA assures that business and financial processes are systematically analyzed and procedures are developed which are reviewed and revised by management and auditors for the assurance of all activities related to proper initiation, authorization of transactions, security of assets and records and separation of duties.

Management is keenly aware of our responsibility to safeguard the assets of the organization. It is a primary objective of the daily operations and long range plans. Assessment of our systems and procedures remain an ongoing process. Actions are taken to ascertain that all necessary and cost effective measures are carried out to fulfill the fiduciary responsibilities.

The FY 2016 Independent Auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements in accordance with government auditing performed by McLean & Associates, PLLC identified no certain deficiencies in internal controls that were considered to be a significant deficiency.

Is the school fiscally sound?

Memphis Business Academy understands that it is critical to leverage financial resources and develop manageable, callable, policies and procedures that will impact student achievement. Sound financial decisions were used to directly drive increased results on the annual state standardized test. Intentional recruitment and hiring strategies netted experienced teachers with turnaround efforts and additional educational assistants.

With experience in running charter schools comes recognition of the necessity of maintaining enrollment at the projected levels. Maintenance of enrollment is one of the keys to financial stability. However, even with consistent enrollment, unanticipated things can happen. The first

element of the contingency plans would involve reducing expenses through the sharing of human resources with the other MBA schools. The organization recognizes the need to sometimes reduce cost by redeploying human resources or delaying purchases of physical resources. In the event of temporary shortfall caused not by lower-than-expected enrollment but by unforeseen circumstances, we do have the option of drawing upon a line of credit to temporarily bridge the gap. The organization will continue its use of a development plan that includes staffing needs for re-evaluation and adjustments.

MBA's leadership is actively involved and engaged in fundraising. Management will continue to share MBA's vision and invite donors to invest in that vision by becoming part of a Reward School Network. Relationships will be established over time to acquire major donors, larger grants from foundations and government funding. Fundraising and development will be a top priority for the next five years. MBA will develop additional management infrastructure to support the time commitment required for this type of focus. MBA's team has a demonstrated track record of success with regard to sound management of charter school finances.

Section IV – Leadership changes Note any changes in board membership or school leadership during the past year.

- **Board Name Change:** From Memphis Business Academy to Harmony Schools
- Harmony School Leadership Changes:**

Personnel:	Roles:
Dr. L. Clark	Principal of Memphis STEM Academy
Mrs. S. Hamilton	Principal of Memphis Business Academy Middle & High School
Chief Academic Officers	Ms. A. Bobo (Reading/Language Arts) Mr. G. Thurman (Mathematics)
COO	Dr. Menthia Bradley
Director of Teacher Talent	Ms. T. Magee
Director of Data (Assessment)	Carmen Coleman
Board Members	Shawn Massey Shawn Thomas Tony Reeder---Chairman Zachary Beasley Diane Anderson Bianca Russell

Section V – Parent and community involvement Briefly summarize parent and community involvement efforts during the past year, including any new community partnerships. Describe how parent and community involvement affects student achievement.

Parental Involvement

Community Involvement

<ul style="list-style-type: none"> i) Staff members are also asked to make positive phone calls per week, to ensure that parents are aware of student successes. j) Parent/Teacher conferences are held three times a year. k) When progress reports and report cards are disseminated, it is mandatory that parents pick up these documents, so we know that they have received it. l) Two School Orientations are held two weeks before the 1st day of school. m) At least 20 hours of parental involvement and development activities will be provided each year n) Muffins for Mom event: Mothers or Guardians are invited to eat muffins with their mother or guardian. o) Donuts for Dad event: Fathers and/or guardians are invited to join their child(ren) to eat donuts. p) <i>Extra- and co-curricular activities of the school. Parents are involved in extra- curricular activities: Soccer, Basketball, Golf, Volleyball, Choir, Band, DECA, Cheer, and Majorette Team.</i> 	<ul style="list-style-type: none"> j) Kids in Nature have been doing a research with MBAM and MBAH for the past 3 years. k) Federal Express has built and maintained the school garden. l) Joy Circle of Germantown United Methodist Church. This group currently provides tutoring for students in MBA Elementary as well as funding for various initiatives (e.g., support of classroom libraries). m) MBA schools have partnered with other education organizations in mutually beneficial ways. In particular, one of the primary partners of the MBA schools has been Teach for America (TFA). Not only are Teach for America corps members placed in MBA schools, MBA has served as a site of the TFA summer institute in Memphis. This joint venture provides opportunities for TFA corps members to work with students and in-service teachers (Faculty Advisors) during the summer and offers MBA students with opportunities to get a “head-start” on academic content for the upcoming year. n) Facing History partners with MBA to provide culturally relevant training to teachers and students. o) Bancorp south - on our own financial seminars p) regions bank - financial and credit seminars - high school q) Memphis Music Initiative middle and high support for music department r) Clean Memphis – STEM curriculum and field experiences
--	---

Describe how parent and community involvement affects student achievement.

Positive parental and community involvement has the potential to have a lasting impact on student achievement. Whether it is grades or standardized test scores, research indicates parental and community involvement has the potential to increase the results. We utilize the home-school connection in every effort to advance student achievement.

Section VI – Promising practices/Action Steps Describe 3-5 operational practices that have had the most impact on student achievement.

6. Before school starts, MBA staff members attend a two week Teacher Institute. In an effort to successfully prepare for the upcoming academic year, teachers participate in professional development sessions with topics including Data Analysis, Common Core Integration, ACT College Readiness Standards and Technology Integration. They also participate in sessions regarding Content-specific topics as well as school specific topics. Staff collaborated to create and review School-wide Academic Norms, Culture (behavior) Norms, to work with schedules, and to create a draft of a year-long activity calendar.
7. During the school year, all staff members have content-specific PLC meetings. Seeing the need for additional teacher support and an increase of scores in all content areas, Academic Coaches were placed and are led by the CAO's.
8. Topics include Data Analysis, Common Core Integration, ACT College Readiness Standards, Technology Integration, Content-specific topics, and school specific topics. Staff worked together to create school norms, work with schedules, and create yearlong activities.
9. After-school opportunities were added at MBAE, MBAM, and MBAH as part of the MBA NEXT (New Experimental Technologies) Program. Students from these after-school programs participate in multiple STEM and robotics competitions. At MBA Middle, students are involved in the STEM program via the Project Lead the Way (PLTW) Launch and Gateway Programs. They also work with college STEM Student Ambassadors via our relationship with the West Tennessee STEM Hub. At the MBA Middle, two STEM tracks, novice and advanced, operate concurrently. The novice track enables students who enter the network as sixth graders to begin STEM education. The advanced track enables experienced STEM students from MBAE to continue their progression in STEM education. In addition, classes for students to learn coding have also been added. For MBA High, a similar philosophy of concurrent novice and advanced tracks is also followed. However, the high school offers multiple STEM specialization pathways. For example, at the high school level, all students have access to courses in Biomedical Science, Computer Programming, and Engineering Design. Advanced STEM students are able to enroll into Aerospace Engineering and Computer Integrated Manufacturing.
10. MBA teamed with TFA to implement a Summer Institution for students entering into grades K-12TH
11. Remediation began before school started in order to place students in the appropriate classes. Being a data driven school, we have incorporated student reports from previous academic year of testing, report cards, MAP Assessments, and pre-assessments to determine appropriate teacher and student placement. Each student is specifically assigned their classes based on their strengths and needs, and teachers' lesson plans are tailored to fit their needs. During the school year, adjustments were made as needed.

Memphis Business Academy Elementary

**1082 Berclair Road
Memphis, TN. 38122**

**Contact Person:
Ms. Marsharee Shaw-
Principal**

**Telephone-901-591-7267
Fax-901-680-5375**

**Marsharee.Shaw@mbaexecutives.org
www.mbacharterschools.org**

**Report Due Date:
September 1, 2018 @ 5:00
P.M**

Introduction to the School:

Memphis Business Academy Elementary School (MBAE) is a charter school that opened in 2011 with K and 1st grade students at 2450 Frayser Blvd. After opening it's doors, each year the school added a grade until it reached fifth grade in 2015. In 2014, due to an enrollment increase,

the K-2nd grade students remained at the Frayser location and grades 3rd and 4th were housed at 3306 Overton Crossing. In 2015, due to increased enrollment, the CEO purchased the former Macon Road Baptist Church/School at 1082 Berclair. After purchasing the property, the academy did not want the enrollment to decrease, therefore, the CEO and board members decided the best way to continue serving the students from the Frayser/Raleigh community was to implement Durham Bus Service. The buses meet the students at the main campus and transport them to the Berclair location.

Currently, Memphis Business Academy Elementary is located at 1082 Beclair Road and the enrollment is 370+ students in grades K-5th. The student/teacher ratio is 17-20 per class and each grade level is departmentalized. The academy is dedicated to the high quality teaching of mathematics, science, social studies, and language arts with a focus business, entrepreneurship, and financial responsibility through the implementation of innovative and effective instructional models. School hours are from 7:30-3:30 for 180 days of the year.

In August 2017, MBAE enrolled 40 students into the new Pre K program. With the additional Pre K students, the academy has reached maximum enrollment since it opened its doors in 2011.

Contact Information:	
Board President	Rev. Anthony Anderson & Dr. Celia Anderson
Board President Email Address	anthony.anderson@harmonycmo.com crouseea@memphis.edu
Board President Phone Numbers	901-412-0465 901-491-9636
School Leader	Marsharee Shaw
School Leader Email Address	marsharee.shaw@mbaexecutives.org
School Leader Phone Number	901-591-7267
School Mission Statement	<p>The mission of the Memphis Business Academy is to ensure high academic achievement of students from the Frayser/Raleigh area and to help them to develop the knowledge, skills, and dispositions that will enable them to be successful in school and beyond.</p> <p>The Academy is dedicated to the high quality teaching of mathematics, science, social studies, and language arts with a focus on business, entrepreneurship, and financial responsibility.</p> <p>Through the implementation of innovative and effective instructional models, the school will meet state and national standards while developing independent and critical thinkers who possess the communication skills and quantitative literacy necessary to be successful in a high tech, global society.</p>

Section I – Progress toward the charter school’s goals (must include academic achievement)

Spring 2017 NWEA Math

Scholars	2015 E-O-Y Normative Data	MEAN RIT	Spring 2017 NWEA Reading & Alg. Thinking	Number & Operations	Measurement & Data	Geometry
K [25]	159.1	154.2	161.4	152.4	150.3	152.2
1 st [33]	180.8	174.8	176.7	177.1	171.5	174.1
2 nd [58]	192.1	190.5	190.4	193.4	187.4	190.4
3 rd [57]	203.4	198.6	199.5	202.5	194.5	197.8
4 th [59]	213.5	200.3	201.2	204.4	196.7	198.6
5 th [71]	221.4	214.7	213.0	219.0	211.5	215.0

Scholars	2015 E-O-Y Normative Data	MEAN RIT	Foundational Skills	Language and Writing	Literature and Informational	Vocabulary Use and Functions
K [26]	158.1	158.5	156.9	158.2	161.2	157.7
1 st [34]	177.5	170.4	168.6	171.5	170.4	171.2

Scholars	2015 E-O-Y Normative Data	MEAN RIT	Literature	Informational Text	Vocabulary Acquisition and Use
2 nd [57]	188.7	182.8	181.2	183.4	184.2
3 rd [59]	198.6	191.7	190.7	192.2	192.3
4 th [63]	205.9	196.5	197.0	196.1	196.6
5 th [71]	211.8	205.6	204.6	206.2	206.0

MBAE Goal	Measures
-----------	----------

3. To promote academic success and high student achievement.	<ul style="list-style-type: none"> a. In grades K-3, at least 95% of students will Meet or Exceed Standards on all grade-level standards in Reading and Mathematics. b. In grades 4-5, at least 95% of students will meet academic expectations by earning passing grades in all graded subjects. c. In grades K-5, 80% of scholars will reach individual RIT targets on NWEA Reading and Math. d. In grades K-5, 80% of scholars will score above the 50th norm growth percentile on NWEA Reading and Math.
2. To ensure that the school makes adequate yearly progress, as outlined in state and federal guidelines	School year 2013-14 will be the first year in which MBAE students will be tested towards AYP. As outlined in current state and federal guidelines, 100% of students will be proficient in Reading/Language Arts and 100% will be proficient in Mathematics. MBAE is committed to using network and school human resources to strengthen instructional capacity.
3. To provide additional academic support for all students who are not yet meeting achievement benchmarks	There will be 100% participation in academic support programs for all students not meeting school and district expectations for achievement and growth. A tiered approach using trained staff, digital resources and strategic grouping.
4. To establish a positive school environment that meets the social and emotional needs of students and faculty	<ul style="list-style-type: none"> e. Student attendance rates will be at least 93% f. There will be low rates of teacher absences. <ul style="list-style-type: none"> c. Rates of teacher and student turnover will be below district averages d. Incidents of school violence will be below district averages e. Suspension and expulsion rates will be below district averages
5. To provide teachers with ongoing, high-quality professional development on subject matter content and culturally relevant pedagogy	<ul style="list-style-type: none"> i. Over 60 hours of teacher professional development will be offered annually j. Teachers will attend bi-weekly PLC meetings. k. Teachers will attend weekly content meetings

	I. Grade level planning will be conducted three times a week.
6. To maintain high levels of organizational accountability in the areas of student academic achievement, faculty performance, and fiscal management	Annual accountability reports will be provided to the MBAE Board consisting of information on student achievement, teacher evaluations, and financial status reports.

Section II – Student mobility: Identify the reasons students left the school during the last year. Include the total number of students leaving for each reason. Do not include student names. Describe any plans to improve student retention in the coming year.

Number of Students	Mobility Reason
44	Students were No Shows
2	Students moved Out-of-State
3	Parents work hours
4	Transportation Issues
1	Moved out of the school area
1	Home Schooled
Total	55

Plans to Improve Student Retention:

Memphis Business Academy Elementary School is located at 1082 Berclair Road and bus transportation has been provided for the Frayser/Raleigh students. The primary focus of the school's initial recruitment/retention efforts will be to attract students from nearby schools in both the Frayser/Raleigh and Berclair area that have been placed on the list of high priority schools. Efforts to reach out to the community and recruit/retain potential students will be conducted in a variety of ways including:

- Continue to update the network website
- Use social media to promote student achievement and recruitment
- Conduct open house and community informational meetings
- Neighborhood canvassing;
- Distribute promotional and informational materials to a variety of community groups and bulletin boards, as well as, library branches, and churches;
- Public service announcements on local radio and television stations;
- Press releases
- Advertising, if indicated, in local publications.

Section III – Operations and finance Describe what the school has done or will do in response to any operational or fiscal challenges faced during the past year. Address any findings from the most recently completed school audit. If the chartering authority formally notified the school of particular concerns, include a brief summary of those concerns and the school's efforts to

remediate those concerns.

Memphis Business Academy (MBA) realizes that an internal control structure must be reassessed periodically to ensure it is functioning properly and is in accordance with Federal, State and Local system requirements. As such, MBA hereby certify that its internal control plan will be monitored so that operational and procedural changes related to processes are properly incorporated and that internal control identified weaknesses are addressed.

MBA assures that business and financial processes are systematically analyzed and procedures are developed which are reviewed and revised by management and auditors for the assurance of all activities related to proper initiation, authorization of transactions, security of assets and records and separation of duties.

Management is keenly aware of our responsibility to safeguard the assets of the organization. It is a primary objective of the daily operations and long range plans. Assessment of our systems and procedures remain an ongoing process. Actions are taken to ascertain that all necessary and cost effective measures are carried out to fulfill the fiduciary responsibilities.

The FY 2016 Independent Auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements in accordance with government auditing performed by McLean & Associates, PLLC identified no certain deficiencies in internal controls that were considered to be a significant deficiency.

Is the school fiscally sound?

Memphis Business Academy understands that it is critical to leverage financial resources and develop manageable, callable, policies and procedures that will impact student achievement. Sound financial decisions were used to directly drive increased results on the annual state standardized test. Intentional recruitment and hiring strategies netted experienced teachers with turnaround efforts and additional educational assistants.

With experience in running charter schools comes recognition of the necessity of maintaining enrollment at the projected levels. Maintenance of enrollment is one of the keys to financial stability. However, even with consistent enrollment, unanticipated things can happen. The first element of the contingency plans would involve reducing expenses through the sharing of human resources with the other MBA schools. The organization recognizes the need to sometimes reduce cost by redeploying human resources or delaying purchases of physical resources. In the event of temporary shortfall caused not by lower-than-expected enrollment but by unforeseen circumstances, we do have the option of drawing upon a line of credit to temporarily bridge the gap. The organization will continue its use of a development plan that includes staffing needs for re-evaluation and adjustments.

MBA's leadership is actively involved and engaged in fundraising. Management will continue to share MBA's vision and invite donors to invest in that vision by becoming part of a Reward School Network. Relationships will be established over time to acquire major donors, larger grants from foundations and government funding. Fundraising and development will be a top priority for the next five years. MBA will develop additional management infrastructure to support the time commitment required for this type of focus. MBA's team has a demonstrated track record of success with regard to sound management of charter school finances.

Section IV – Leadership changes Note any changes in board membership or school leadership during the past year.

Board Membership

Shawn Massey
Shawn Thomas
Tony Reeder---Chairman
Zachary Beasley
Diane Anderson
Bianca Russell

- **Network Change:** From Memphis Business Academy to Harmony Schools

Harmony School Leadership Changes:

Personnel:	Roles:
Dr. L. Clark	Principal of Memphis STEM Academy
Mrs. S. Hamilton	Principal of Memphis Business Academy Middle & High School
Chief Academic Officers	Ms. A. Bobo (Reading/Language Arts) & Mr. G. Thurman (Mathematics)
COO	Dr. Menthia P. Bradley
Director of Teacher Talent	Ms. T. McGee
Director of Data, Analysis, and Assessment	Ms. Carmen Coleman

Section V – Parent and community involvement Briefly summarize parent and community involvement efforts during the past year, including any new community partnerships. Describe how parent and community involvement affects student achievement.

Parental Involvement	Community Involvement
<ul style="list-style-type: none"> q) Teachers contact parents monthly and submit phone logs to the front office. Through phone log, staff members contact parents at the point of a student's grade going below a C or conduct below an S. This ensures that we are all working together to create success strategies for the child. r) Staff members are also asked to make positive phone calls per week, to ensure that parents are aware of student successes. s) Parent/Teacher conferences are held three times a year. t) When progress reports and report cards are disseminated, it is mandatory that parents pick up these documents, so we know that they have received it. u) Open house is held at the beginning of the year. v) At least 20 hours of parental involvement and development activities will be provided each year <p>Three Curriculum nights are offered yearly so parents can be involved in mini-learning activities similar to students.</p> <p>Yearly father/daughter dances offered</p> <p>Yearly mother/daughter dances offered</p>	<ul style="list-style-type: none"> s) Annual Susan G. Gomer School Breast Cancer Walk t) Annual St. Jude School Cancer Walk u) Annual Field Day is offered yearly- Parent Volunteers v) Annual Community Career Day w) 100 hours of volunteer tutoring was provided to students through partnerships with Joy Circle. x) Kids in Nature have been doing a research with MBAE for the past 3 years. y) Federal Express has built and maintained the school garden.

Describe how parent and community involvement affects student achievement.

Positive parental and community involvement has the potential to have a lasting impact on student achievement. Whether it is grades or standardized test scores, research indicates parental and community involvement has the potential to increase the results. We utilize the home-school connection in every effort to advance student achievement.

Section VI – Promising practices/Action Steps Describe 3-5 operational practices that have had the most impact on student achievement.

12. Before school starts, MBA staff members attend a two week Teacher Institute. In an effort to successfully prepare for the upcoming academic year, teachers participate in professional development sessions with topics including Data Analysis, Common Core Integration, ACT College Readiness Standards and Technology Integration. They also participate in sessions regarding Content-specific topics as well as school specific topics. Staff collaborated to create and review School-wide Academic Norms, Culture (behavior) Norms, to work with schedules, and to create a draft of a year-long activity calendar.
13. During the school year, all staff members have content-specific PLC meetings. Seeing the need for additional teacher support and an increase of scores in all content areas, Academic Coaches were placed and are led by the CAO's.
14. Topics include Data Analysis, Common Core Integration, ACT College Readiness Standards, Technology Integration, Content-specific topics, and school specific topics. Staff worked together to create school norms, work with schedules, and create yearlong activities.
15. MBA teamed with TFA to implement a Summer Institution for students entering into grades K-12TH
16. Remediation began before school started in order to place students in the appropriate classes. Being a data driven school, we have incorporated student reports from previous academic year of testing, report cards, Discovery, and pre-assessments to determine appropriate teacher and student placement. Each student is specifically assigned their classes based on their strengths and needs, and teachers' lesson plans are tailored to fit their needs. During the school year, adjustments were made as needed.

Memphis STEM Academy

**2450 Frayser Blvd
Memphis, TN. 38127**

**Contact Person:
Dr. LaWanda M. Clark,
Principal**

**Telephone-901-353-1476
Fax-901-308-1430**

**Lawanda.Clark@mbaexecutives.org
www.mbacharterschools.org**

**Report Due Date:
September 1, 2018**

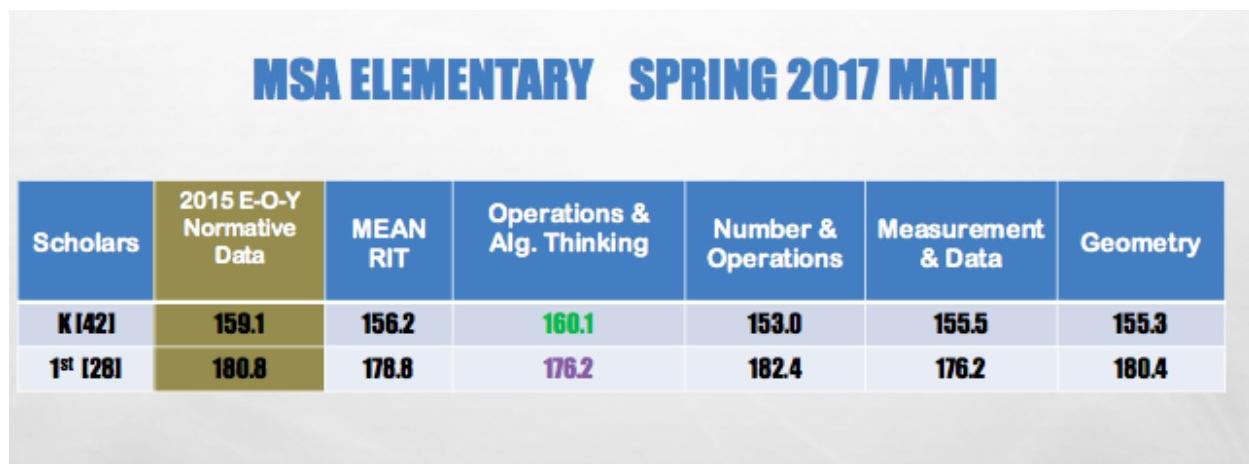
Introduction to the School

Memphis STEM Academy (MSA) is a charter school that opened in 2016 with K and 1st grade students at 2450 Frayser Blvd. After opening in 2016, the next year the school added second

grade. At capacity, the Memphis STEM Academy will serve students in grades K-5. The plan to begin with kindergarten and first grade and phase in each year up to fifth grade is based on the past experience of the Memphis Business Academy Elementary (MBAE) school. In selecting the target grades, MSA considered the needs of the student population as well as the overall growth plan of our sponsor organization.

The student/teacher ratio is 17-20 per class and each grade level is departmentalized with ability classes. The mission of the Memphis STEM Academy is to promote academic excellence and future student success through a focus on Science, Technology, Engineering and Mathematics and ongoing engagement in problem solving, critical thinking, teamwork and communication. The academy school hours are from 7:30-3:30 for 180 days of the year.

Contact Information:	
Board President	Rev. Anthony Anderson & Dr. Celia Anderson
Board President Email Address	anthony.anderson@harmonycmo.com croussea@memphis.edu
Board President Phone Numbers	901 -412-0465 901-491-9636
School Leader	Dr. LaWanda M. Clark
School Leader Email Address	lawanda.clark@mbaexecutives.org
School Leader Phone Number	901-353-1476
School Mission Statement	The Mission of the Memphis STEM Academy is to promote academic excellence and future student success though a focus on Science, Technology, Engineering, Mathematics and ongoing engagement in problem solving, critical thinking, teamwork, and communication.



MSA Goal	Measures
4. To promote academic success and high student achievement.	At least 80% of the students will score above the 50 th percentile in norm growth on NWEA in Reading or Math. Eighty percent or more of the students will reach individual RIT targets in Reading and

	Math.
2. To ensure that the school makes adequate yearly progress, as outlined in state and federal guidelines	MSA students will not participate in the end of the year state assessment during the 2017-2018 school year.
3. To provide additional academic support for all students who are not yet meeting achievement benchmarks	There will be 100% participation in academic support programs for all students not meeting school and district expectations for achievement. Students will participate in intervention/enhance opportunities, during and after school.
4. To establish a positive school environment that meets the social and emotional needs of students and faculty	<ul style="list-style-type: none"> g. Student attendance rates will be at least 93% h. There will be low rates of teacher absences. <ul style="list-style-type: none"> c. Rates of teacher and student turnover will be below district averages d. Incidents of school violence will be below district averages e. Suspension and expulsion rates will be below district averages
5. To provide teachers with ongoing, high-quality professional development on subject matter content and culturally relevant pedagogy	<ul style="list-style-type: none"> m. Over 60 hours of teacher professional development will be offered annually n. Teachers will attend bi-weekly PLC meetings. o. Teachers will attend weekly content meetings p. Grade level planning will be conducted three times a week.
6. To maintain high levels of organizational accountability in the areas of student academic achievement, faculty performance, and fiscal management	Annual accountability reports will be provided to the MSA Board consisting of information on student achievement, teacher evaluations, and financial status reports.

Section II – Student mobility: Identify the reasons students left the school during the last year.

Include the total number of students leaving for each reason. Do not include student names. Describe any plans to improve student retention in the coming year.

Number of Students	Mobility Reason
10	Students were No Shows
0	Students moved Out-of-State
2	Parents work hours
4	Transportation Issues
1	Moved out of the school area
0	Home Schooled
Total	17

Plans to Improve Student Retention:

Memphis STEM Academy is located at 2450 Frayser Blvd and bus transportation has been provided for the Frayser/Raleigh students. The primary focus of the school's initial recruitment/retention efforts will be to attract students from nearby schools in the Frayser/Raleigh area that have been placed on the list of high priority schools. Efforts to reach out to the community and recruit/retain potential students will be conducted in a variety of ways including:

- Continue to update the network website
- Use social media to promote student achievement and recruitment
- Conduct open house and community informational meetings
- Neighborhood canvassing;
- Distribute promotional and informational materials to a variety of community groups and bulletin boards, as well as, library branches, and churches;
- Public service announcements on local radio and television stations;
- Press releases
- Advertising, if indicated, in local publications.

Section III – Operations and finance Describe what the school has done or will do in response to any operational or fiscal challenges faced during the past year. Address any findings from the most recently completed school audit. If the chartering authority formally notified the school of particular concerns, include a brief summary of those concerns and the school's efforts to remediate those concerns. Provide a detailed accounting, including the amounts and sources, of funds other than those funds received under per pupil state and local funds and federal allocations. Include any funds received from: 1) federal grants, 2) grants, gifts, devises, or donations from any private sources, 3) state funds appropriated for the support of the public charter school, and 4) any other funds that may be received by the local school district.

Memphis STEM Academy understands that it is critical to leverage financial resource and develop manageable, callable, policies and procedures that will impact student achievement. Sound financial recruitment and hiring strategies netted experienced teachers with turnaround efforts and additional educational assistants.

With experience in running charter schools comes recognition of the necessity of maintaining enrollment at the project levels. Maintenance of enrollment is one of the keys to financial stability. However, even with consistent enrollment, unanticipated things can happen. The first

element of the contingency plans would involve reducing expenses through the sharing of human resources within the other MBA schools. The organization recognized the need to sometimes reduce cost by redeploying human resources or delaying purchases of physical resources. In the event of temporary shortfall caused not by lower-than-expected enrollment but by unforeseen circumstances, we do have the option of drawing upon a line of credit to temporarily bridge the gap. The organization will continue its use of a development plan that includes staffing needs for re-evaluation and adjustments.

MSA's leadership is actively involved and engaged in fundraising. Management will continue to share MSA's vision and invite donor to invest in the vision by becoming part of a Reward School Network. Relationships will be established over time to acquired major donors, larger grants from foundations and government funding. Fundraising and development will be a top priority for the next five years. MSA will develop additional management infrastructure to support the time commitment required for this type of focus. MSA's team has a demonstrated track record of success with regard to sound management of charter school finances.

Section IV – Leadership changes Note any changes in board membership or school leadership during the past year.

- **Board Membership** added two new board members. They are Mr. Zachary Beasley and Ms. Jenessis Anderson. Current board members are: Shawn Thomas, Tony Reeder-Chairman, Dianne Anderson and Bianca Russell.
- **Board Name Change:** From Memphis Business Academy to Harmony Schools

Harmony School Leadership Changes:

Personnel:	Roles:
Dr. L. Clark	Principal of Memphis STEM Academy
Mrs. S. Hamilton	Principal of Memphis Business Academy Middle & High School
Chief Academic Officers	Ms. A. Bobo(Reading/Language Arts) Mr. G. Thurman (Mathematics)
COO	Dr. Mentha Bradley

Director of Teacher Talent	Ms. T. Magee
Director of Data (Assessment)	Carmen Coleman

Section V – Parent and community involvement Briefly summarize parent and community involvement efforts during the past year, including any new community partnerships. Describe how parent and community involvement affects student achievement.

Parental Involvement	Community Involvement
<ul style="list-style-type: none"> w) Teachers contact parents monthly and submit phone logs to the front office. Through phone log, staff members contact parents at the point of a student's grade going below a C or conduct below an S. This ensures that we are all working together to create success strategies for the child. x) Staff members are also asked to make positive phone calls per week, to ensure that parents are aware of student successes. y) Parent/Teacher conferences are held three times a year. z) When progress reports and report cards are disseminated, it is mandatory that parents pick up these documents, so we know that they have received it. <ul style="list-style-type: none"> aa) Open house is held at the beginning of the year. bb) At least 20 hours of parental involvement and development activities will be provided each year <p>Three Curriculum nights are offered yearly so parents can be involved in mini-learning activities similar to students.</p> <p>Yearly father/daughter dances offered</p> <p>Yearly mother/daughter dances offered</p>	<ul style="list-style-type: none"> z) Annual Susan G. Gomer School Breast Cancer Walk aa) Annual St. Jude School Cancer Walk bb) Annual Field Day is offered yearly- Parent Volunteers cc) Annual Community Career Day dd) 100 hours of volunteer tutoring was provided to students through partnerships with Joy Circle. ee) Grandparents Day ff) ROW- Reading on Wednesday

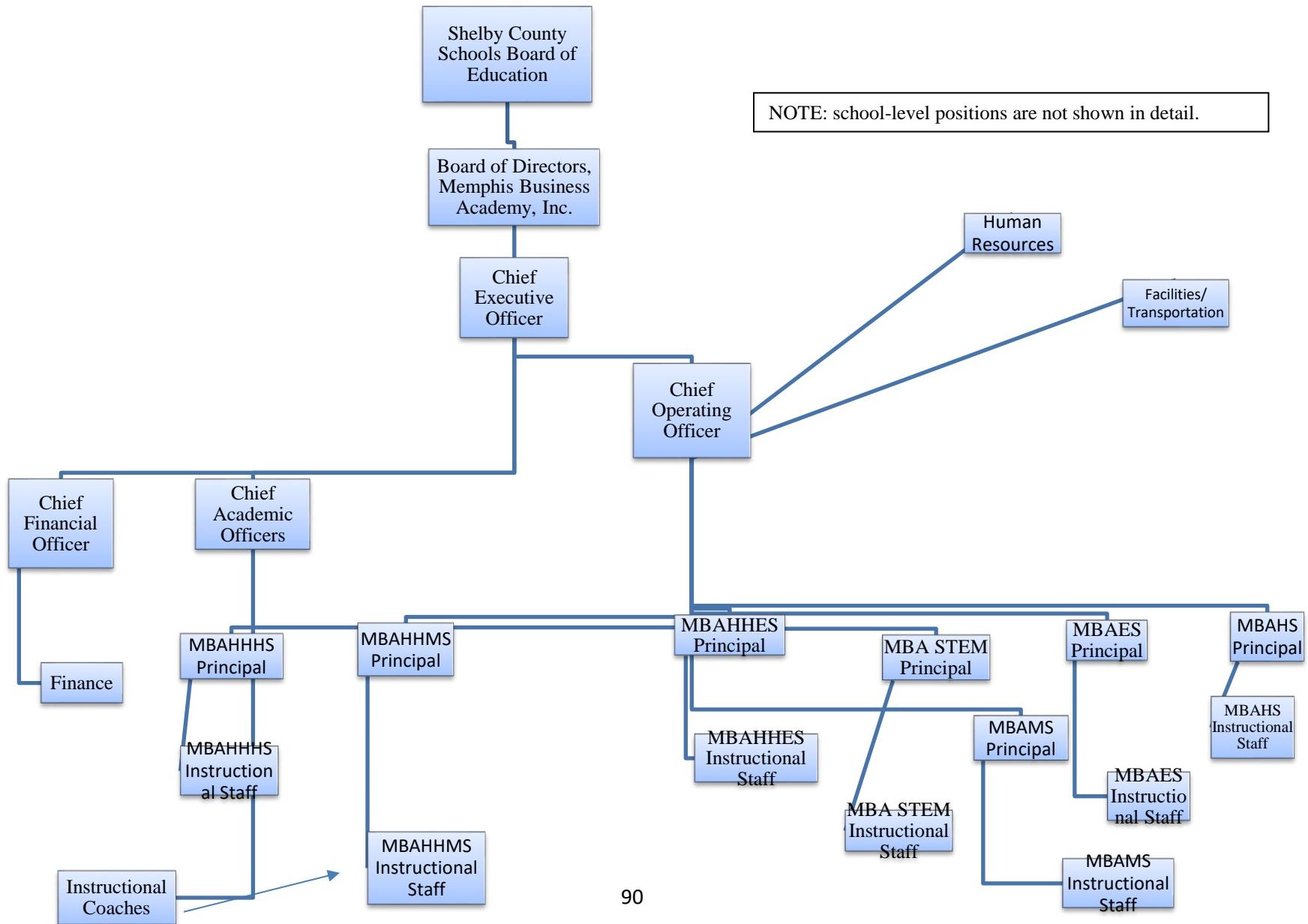
Describe how parent and community involvement affects student achievement.

Positive parental and community involvement has the potential to have a lasting impact on student achievement. Whether it is grades or standardized test scores, research indicates parental and community involvement has the potential to increase the results. We utilize the home-school connection in every effort to advance student achievement.

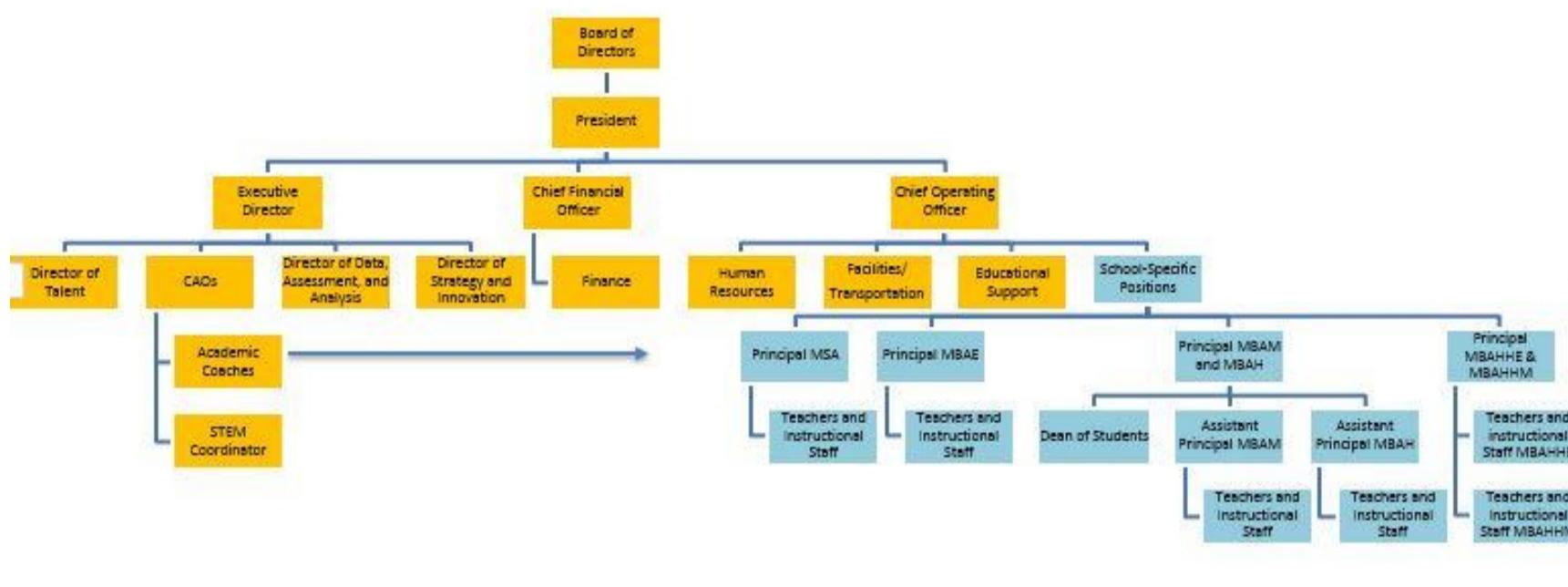
Section VI – Promising practices/Action Steps Describe 3-5 operational practices that have had the most impact on student achievement.

17. Before school starts, MSA staff members attend a two week Teacher Institute. In an effort to successfully prepare for the upcoming academic year, teachers participate in professional development sessions with topics including Data Analysis, Common Core Integration, ACT College Readiness Standards and Technology Integration. They also participate in sessions regarding Content-specific topics as well as school specific topics. Staff collaborated to create and review School-wide Academic Norms, Culture (behavior) Norms, to work with schedules, and to create a draft of a year-long activity calendar.
18. During the school year, all staff members have content-specific PLC meetings. Seeing the need for additional teacher support and an increase of scores in all content areas, Academic Coaches were placed and are led by the CAO's.
19. Topics include Data Analysis, Common Core Integration, ACT College Readiness Standards, Technology Integration, Content-specific topics, and school specific topics. Staff worked together to create school norms, work with schedules, and create yearlong activities.
20. Remediation began before school started in order to place students in the appropriate classes. Being a data driven school, we have incorporated student reports from previous academic year of testing, report cards, Discovery, and pre-assessments to determine appropriate teacher and student placement. Each student is specifically assigned their classes based on their strengths and needs, and teachers' lesson plans are tailored to fit their needs. During the school year, adjustments were made as needed.

Attachment M: Network Current Organizational Chart



Network Future Organizational Chart (3+ years)



Attachment O: School Budget

Memphis Business Academy Hickory Hill High School (MBAHHHS)

New Charter School Application Budget Template

Proposed School Information

Proposed School Name
Lead Sponsor Name
Lead Sponsor E-mail Address
Lead Sponsor Phone Number
CMO/EMO Affiliation

Memphis Business Academy Hickory Hill High School (MBAHHHS)
April Bobo, Chief Academic Officer
april.bobo@mbaexecutives.org
901-358-1651
Memphis Business Academy, Inc.

Proposed Authorizer
Proposed Opening Grade Level(s)
Proposed Final Grade Level(s)
Proposed First Year of Operations

Shelby County Schools, Memphis, TN
9
12
2020-21

Anticipated Enrollment

Year 1	Year 2	Year 3	Year 4	Year 5
0	100	200	300	400

Note: These cells auto-populate after completing Tab 2.

Memphis Business Academy Hickory Hill High School (MBAHHHS)

New Charter School Application Budget Template

Student Assumptions

Enrollment Assumptions

Year 1	Year 2	Year 3	Year 4	Year 5
2020-21	2021-22	2022-23	2023-24	2024-25

Pre-Kindergarten (Informational Only)

0	0	0	0	0
---	---	---	---	---

Kindergarten
1st Grade
2nd Grade
3rd Grade
4th Grade
5th Grade
6th Grade

0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0

7th Grade	0	0	0	0	0
8th Grade	0	0	0	0	0
9th Grade	0	100	100	100	100
10th Grade	0	0	100	100	100
11th Grade	0	0	0	100	100
12th Grade	0	0	0	0	100
Total Enrollment (excluding Pre-Kindergarten)	0	100	200	300	400
Change in Net Enrollment	0	100	100	100	100
# of Classes By Grade					
	Year 1	Year 2	Year 3	Year 4	Year 5
Pre-Kindergarten (Informational Only)	0	0	0	0	0
Kindergarten	0	0	0	0	0
1st Grade	0	0	0	0	0
2nd Grade	0	0	0	0	0
3rd Grade	0	0	0	0	0
4th Grade	0	0	0	0	0
5th Grade	0	0	0	0	0
6th Grade	0	0	0	0	0
7th Grade	0	0	0	0	0
8th Grade	0	0	0	0	0
9th Grade	0	4	4	4	4
10th Grade	0	0	4	4	4
11th Grade	0	0	0	4	4
12th Grade	0	0	0	0	4
Total # of Classes	0	4	8	12	16
Change in Net # of Classes	0	4	4	4	4

	Other Key Assumptions Enter Estimated Percentages				
SPED %	0%	8%	8%	8%	8%
SPED Count	0	8	16	23	31
ELL %	0%	6%	6%	6%	6%
ELL Count	0	6	13	19	25
Anticipated Paid %	100%	2%	2%	2%	2%
Anticipated Reduced %	0%	0%	0%	0%	0%
Anticipated Free %	0%	98%	98%	98%	98%
Anticipated Paid Count	0	2	5	7	10
Anticipated Reduced Count	0	0	0	0	0
Anticipated Free Count	0	98	195	293	390
Total Free and Reduced Count	0	98	195	293	390
School Days	0	180	180	180	180
Attendance Rate	0%	97%	97%	97%	97%

**Memphis Business Academy Hickory Hill
High School (MBAHHHS)
New Charter School Application Budget
Template**

Pre-Opening Budget

Revenue Assumptions			
Year 0 2019-20			
Federal Revenues	Rate/Assumption	Amount	Assumption Notes
CSP Startup Grant		-	
Fundraising & Philanthropy			
Detail any private funding sources			
Other		\$0	
Total Revenues			
-			
Additional Space to Provide Fundraising Details			

Compensation Assumptions			
Year 0 2019-20			
Administrative Staff	FTE Count		Assumption Notes
Principal/School Leader	0.00	\$0	The official job title is School Director
Assistant Principal	0.00	\$0	The official job title is AP/Director of Curriculum and Instruction.
Special Education Coordinator	0.00	\$0	
Deans, Directors	0.00	\$0	The official job title is Dean of Students.
Other (Specify in Assumptions)	0.00	\$0	The official job title is Business Operations Director
Total Administrative Compensation	0.00	-	
Instructional Staff			
Teachers	0.00	\$0	
Special Education Teachers	0.00	\$0	
Educational Assistants/Aides	0.00	\$0	
Elective Teachers	0.00	\$0	
Other (Specify in Assumptions)	0.00	\$0	
Total Instructional Compensation	0.00	-	
Non-Instructional Staff			
Clerical Staff	0.00	\$0	The official job title is Administrative Specialist
Custodial Staff	0.00	\$0	
Operations	0.00	\$0	
Social Workers/Counseling	0.00	\$0	
Other (Specify in Assumptions)	0.00	\$0	The official job title is Records Specialist
Total Non-Instructional Compensation	0.00	-	

Bonus		-	
Other Non FTE Compensation		-	
Other Non FTE Compensation		-	
Other Non FTE Compensation		-	
Total FTE Count	0.00		
Total Compensation		-	

Employer Benefits & Tax Assumptions

	Base Assumption	Assumption Notes
Social Security	6.20%	\$0
Medicare	1.45%	\$0
State Unemployment	\$400 per employee	\$0
Disability/Life Insurance	0.00%	\$0
Workers Compensation		
Insurance	0.00%	\$0
Other Fringe Benefits	0.00%	\$0
Medical Insurance	\$0	\$0
Dental Insurance	\$0	\$0
Vision Insurance	\$0	\$0
Other Retirement	0.00%	\$0
Total Employer Benefits & Taxes		-

Operating Expenses

Contracted Services	Assumption Notes
Professional Development	\$0
Financial Services	\$0
Audit Services	\$0
Legal Fees	\$0
Copier Lease and Usage	\$0
Internet and Phone Service	\$0
Cell Phone Service	\$0
Payroll Services	\$0
Health Services	\$0
Transportation	\$0
IT Services	\$0
Contracted SPED Services	\$0
Insurance	\$0
Postal Charges	\$0
Bank Charges	\$0

Supplies & Materials	
Textbooks and Instructional Supplies	\$0
Education Software	\$0
Student Supplies	\$0
Faculty Supplies	\$0
Library Books	\$0
Testing & Evaluation	\$0
Student Laptops	\$0

Faculty Laptops	\$0	
Office Supplies	\$0	
Printing Paper	\$0	
Marketing Materials	\$0	
Student Uniforms	\$0	
Gifts & Awards - Students	\$0	
Gifts & Awards - Teachers and Staff	\$0	
Health Supplies	\$0	

Facility Related Expenses		
Rent	\$0	
Utilities	\$0	
Custodial	\$0	
Waste	\$0	
Faculty Furniture	\$0	
Student Furniture	\$0	
Internet/Network Equipment	\$0	
Other Equipment	\$0	
Building Decorum	\$0	
Tenant Improvements	\$0	
Other	\$0	

Other Charges		
Staff Recruitment	\$0	
Student Recruitment & Community Engagement	\$0	
Parent & Staff Meetings	\$0	
Authorizer Fee	\$0	
Other	\$0	

Debt Service		
Other	\$0	

Total Operating Expenses -

Total Expenses -

Memphis Business Academy Hickory Hill High School (MBAHHHS)
New Charter School Application Budget Template
Pre-Opening Cash Flow

Cash Flow Summary

Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0
2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20
Total Budget	July	August	September	October	November	December	January	February	March	April	May	June	Total	AR/AP	

Beginning Cash -

Revenues

Federal Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fundraising & Philanthropy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues															
Expenses															
Staffing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employer Benefits & Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies & Materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facility-Related Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses															
Operating Income (Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in Accounts Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Repayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Balance Sheet Activity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Cash															

Details of Cash Flow

Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0
2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20
Total Budget	July	August	September	October	November	December	January	February	March	April	May	June	Total	AR/AP	

Revenues	Assumption Notes
Revenues	

Federal Revenues																	
CSP Startup Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Green
Fundraising & Philanthropy																	
Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Green
Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Green
Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Green
Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Green
Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Green
Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Compensation																	
Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	
2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	
Total Budget	July	August	September	October	November	December	January	February	March	April	May	June	Total	AR/AP			Assumption Notes
Principal/School Leader	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Green
Assistant Principal	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Green
Special Education Coordinator	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Green
Deans, Directors	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Green
Other (Specify in Assumptions)	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Green
Total Administrative Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Instructional Staff																	
Teachers	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Green
Special Education Teachers	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Green
Education Aides	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Green
Elective Teachers	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Green
Other (Specify in Assumptions)	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Green

Assumption s)																	
Total Instructional Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Instructional Staff																	
Clerical Staff	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Custodial Staff	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Operations Social Workers/Co unseling	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Other (Specify in Assumption s)	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Total Non-Instructional Compensation	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Bonus	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Other Non FTE Compensation	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Other Non FTE Compensation	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Other Non FTE Compensation	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Total Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Employer Benefits & Taxes

Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0
2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20
Total Budget	July	August	September	October	November	December	January	February	March	April	May	June	Total	AR/AP		

Assumption Notes

Social Security	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Medicare	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
State Unemployment	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Disability/Life Insurance	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Workers Compensation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

Insurance	-																-	-	
Other Fringe Benefits	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Medical Insurance	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Dental Insurance	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Vision Insurance	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Other Retirement	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Total Employer Benefits & Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Operating Expenses

Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0	Year 0
2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20
Total Budget	July	August	September	October	November	December	January	February	March	April	May	June	Total	AR/AP				

Contracted Services																		Assumption Notes
Professional Development	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Professional Development
Financial Services	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Financial Services
Audit Services	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Audit Services
Legal Fees	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Legal Fees
Copier Lease and Usage	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Copier Lease and Usage
Internet and Phone Service	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Internet and Phone Service
Cell Phone Service	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Cell Phone Service
Payroll Services	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Payroll Services
Health Services Transportation	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Health Services
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Transp

																	Ortation
IT Services	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	IT Services	
Contracted SPED Services	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	Contracted SPED Services	
Insurance	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	Insurance	
Postal Charges	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	Postal Charges	
Bank Charges	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	Bank Charges	
Supplies & Materials																	
Textbooks and Instructional Supplies	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	Textbooks and Instructional Supplies	
Education Software	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	Education Software	
Student Supplies	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	Student Supplies	
Faculty Supplies	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	Faculty Supplies	
Library Books	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	Library Books	
Testing & Evaluation	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	Testing & Evaluation	
Student Laptops	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	Student Laptops	
Faculty Laptops	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	Faculty Laptops	
Office Supplies	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	Office Supplies	
Printing Paper	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	Printing	

																Paper
Marketing Materials	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Marketing Materials
Student Uniforms	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Student Uniforms
Gifts & Awards - Students	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Gifts & Awards - Students
Gifts & Awards - Teachers and Staff	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Gifts & Awards - Teachers and Staff
Health Supplies	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Health Supplies

Facility Related Expenses																
Rent	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Rent
Utilities	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Utilities
Custodial	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Custodial
Waste	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Waste
Faculty Furniture	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Faculty Furniture
Student Furniture	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Student Furniture
Internet/Network Equipment	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Internet/Network Equipment
Other Equipment	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Other Equipment
Building Decorum	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Building Decorum
Tenant Improvements	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Tenant Improvements

															ts
Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Other
Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Other
Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Other
Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Other
Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Other
Other Charges															
Staff Recruitment	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Staff Recruitment
Student Recruitment & Community Engagement	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Student Recruitment & Community Engagement
Parent & Staff Meetings	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Parent Meetings
Authorizer Fee	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Staff Meetings
Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Other
Debt Service															
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Memphis Business Academy Hickory Hill High School (MBAHHHS)
New Charter School Application Budget Template
Year 1-5 Staff Assumptions

FTE Assumptions

Year 1	Year 2	Year 3	Year 4	Year 5
--------	--------	--------	--------	--------

Fiscal Year	2020-21	2021-22	2022-23	2023-24	2024-25
Enrollment	0	100	200	300	400
# of Classes	0	4	8	12	16

Administrative Staff

Principal/School Leader	0.00	1.00	1.00	1.00	1.00
Assistant Principal	0.00	0.00	1.00	1.00	1.00
Special Education Coordinator	0.00	0.00	0.00	0.00	0.00
Deans, Directors	0.00	0.00	1.00	1.00	1.00
Other (Specify in Assumptions)	0.00	0.00	1.00	1.00	1.00
Total Administrative FTE	0.00	1.00	4.00	4.00	4.00

Instructional Staff

Teachers	0.00	4.00	6.00	12.00	16.00
Special Education Teachers	0.00	0.00	1.00	1.00	1.00
Educational Assistants/Aides	0.00	0.00	0.00	1.00	1.00
Elective Teachers	0.00	0.00	1.00	2.00	2.00
Other (Specify in Assumptions)	0.00	0.00	0.00	1.00	1.00
Total Instructional FTE	0.00	4.00	8.00	17.00	21.00

Non-Instructional

Staff

Clerical Staff	0.00	0.00	1.00	1.00	1.00
Custodial Staff	0.00	0.00	0.00	0.00	0.00
Operations	0.00	0.00	0.00	0.00	0.00
Social					
Workers/Counseling	0.00	0.00	0.00	0.00	0.00
Other (Specify in Assumptions)	0.00	0.00	1.00	1.00	1.00
Total Non-Instructional FTE	0.00	0.00	2.00	2.00	2.00

Total FTE	0.00	5.00	14.00	23.00	27.00
-----------	------	------	-------	-------	-------

Compensation Assumptions

Year 1	Year 2	Year 3	Year 4	Year 5
2020-21	2021-22	2022-23	2023-24	2024-25

Annual Increase	0.00%	0.00%	2.00%	2.00%	2.00%
Cumulative Increase	100.00%	100.00%	102.00%	104.04%	106.12%

Base Assumption

\$70,000	-	\$70,000	\$71,400	\$72,828	\$74,285
\$60,000	-	\$0	\$60,000	\$62,424	\$63,672
\$0	-	\$0	\$0	\$0	\$0
\$45,000	-	\$0	\$45,000	\$46,818	\$47,754
\$50,000	-	\$0	\$50,000	\$52,020	\$53,060
	-	\$70,000	\$226,400	\$234,090	\$238,772

Assumption Notes

School Director
AP/Director of Curriculum and Instruction
Dean of Students
Business Operations Director

Instructional Staff					
Teachers	\$45,000	-	\$180,000	\$275,400	\$561,816
Special Education Teachers	\$45,000	-	\$0	\$45,000	\$46,818
Educational Assistants/Aides	\$24,000	-	\$0	\$0	\$24,000
Elective Teachers	\$25,000	-	\$0	\$25,000	\$52,020
Other (Specify in Assumptions)	\$45,000	-	\$0	\$0	\$45,000
Total Instructional Compensation		-	\$180,000	\$345,400	\$729,654
		-			\$938,108
Non-Instructional Staff					
Clerical Staff	\$30,000	-	-	30,000	31,212
Custodial Staff	\$0	-	-	-	-
Operations	\$0	-	-	-	-
Social Workers/Counseling	\$0	-	-	-	-
Other (Specify in Assumptions)	\$35,000	-	-	35,000	36,414
Total Non-Instructional Compensation		-		65,000	67,626
		-			68,979
Other Compensation		-	-	-	-
Other Compensation		-	-	-	-
Other Compensation		-	-	-	-
Other Compensation		-	-	-	-
Total Compensation	-		250,000	636,800	1,031,370
		-			1,245,858

Employer Benefits & Tax Assumptions

Base Assumption	Year 1	Year 2	Year 3	Year 4	Year 5
	2020-21	2021-22	2022-23	2023-24	2024-25
Social Security	6.20%	\$0	\$15,500	\$39,482	\$63,945
Medicare	1.45%	\$0	\$3,625	\$9,234	\$14,955
State Unemployment	\$400	\$0	\$2,000	\$5,600	\$9,200
Disability/Life Insurance	2.00%	\$0	\$5,000	\$12,736	\$20,627
Workers Compensation Insurance	4.39%	\$0	\$10,975	\$27,956	\$45,277
Other Fringe Benefits	0.00%	\$0	\$0	\$0	\$0
Health Insurance Annual Increase					
Cumulative Increase	0.00%	2.00%	2.00%	2.00%	2.00%
Medical Insurance					
	\$6,800	\$0	\$41,616	\$117,912	\$159,528
					\$187,272
					MBAHHHS will allocate an average cost of \$6,800 per person for health

						insurance.
Dental Insurance	\$0	\$0	\$0	\$0	\$0	
Vision Insurance	\$0	\$0	\$0	\$0	\$0	
TCRS Certified Legacy	0.00%	\$0	\$0	\$0	\$0	
TCRS Certified Hybrid	9.05%	\$0	\$22,625	\$57,630	\$93,339	\$112,750
TCRS Classified Legacy	0.00%	\$0	\$0	\$0	\$0	
TCRS Classified Hybrid	0.00%	\$0	\$0	\$0	\$0	
Other Classified Retirement	0.00%	\$0	\$0	\$0	\$0	
Other Retirement	0.00%	\$0	\$0	\$0	\$0	

**Memphis Business Academy Hickory Hill High
School (MBAHHHS)
New Charter School Application Budget
Template
Year 1 Budget**

Revenue Assumptions		
Annual Revenue Increase	Year 1 2020-21	
Cumulative Increase	0.00%	
		100.00%
State Revenues	Rate/Assumption	Assumption Notes
Basic Education Program	\$0	
BEP Transportation Component	\$0	
BEP Capital Outlay	\$350	
Other	\$0	
Other	\$0	
Federal Revenues	\$0	
Title I	\$0	
Title II	\$0	
Title III	\$0	
NSLP	\$0	
E-Rate	\$0	
CSP Startup Grant	\$0	
Other- IDEA Part 5	\$0	
Other	\$0	
School Activity Revenues		
Other	\$0	
Fundraising & Philanthropy		
Other	\$30,000	Private fundraising (foundations, corporations). Year 1 is planning year.
Other	\$0	

Other	\$0	\$0	
Other	\$0	\$0	
Other	\$0	\$0	
Total Revenues			30,000
Compensation			
Year 1			
2020-21			
Administrative Staff	FTE Count		Assumption Notes
Principal/School Leader	0.00	-	
Assistant Principal	0.00	-	
Special Education Coordinator	0.00	-	
Deans, Directors	0.00	-	
Other (Specify in Assumptions)	0.00	-	
Total Administrative Compensation	0.00	-	
Instructional Staff			
Teachers	0.00	-	
Special Education Teachers	0.00	-	
Educational Assistants/Aides	0.00	-	
Elective Teachers	0.00	-	
Other (Specify in Assumptions)	0.00	-	
Total Instructional Compensation	0.00	-	
Non-Instructional Staff			
Clerical Staff	0.00	-	
Custodial Staff	0.00	-	
Operations	0.00	-	
Social Workers/Counseling	0.00	-	
Other (Specify in Assumptions)	0.00	-	
Total Non-Instructional Compensation	0.00	-	
Other Compensation		-	
Total Compensation		-	

Employer Benefits & Taxes			
Year 1			
2020-21			
Social Security		Assumption Notes	
Medicare	-		
State Unemployment	-		
Disability/Life Insurance	-		

Workers Compensation		
Insurance	-	
Other Fringe Benefits	-	
Medical Insurance	-	
Dental Insurance	-	
Vision Insurance	-	
TCRS Certified Legacy	-	
TCRS Certified Hybrid	-	
TCRS Classified Legacy	-	
TCRS Classified Hybrid	-	
Other Classified Retirement	-	
Other Retirement	-	
Total Employer Benefits & Taxes		

Operating Expenses		
Year 1		
2020-21		
Contracted Services		Assumption Notes
Professional Development	\$0	
Financial Services	\$0	
Audit Services	\$0	
Legal Fees	\$2,000	\$2000 for planning year.
Copier Lease and Usage	\$0	
Internet and Phone Service	\$0	
Cell Phone Service	\$0	
Payroll Services	\$0	
Health Services	\$0	
Transportation	\$0	
IT Services	\$0	
Contracted SPED Services	\$0	
Insurance	\$0	
Postal Charges	\$0	
Bank Charges	\$0	
Supplies & Materials		
Textbooks and Instructional Supplies	\$0	
Education Software	\$0	
Student Supplies	\$0	
Faculty Supplies	\$0	
Library Books	\$0	
Testing & Evaluation	\$0	
Student Laptops	\$0	
Faculty Laptops	\$0	
Office Supplies	\$1,200	\$1200 for planning year.
Printing Paper	\$0	
Marketing Materials	\$0	
Student Uniforms	\$0	
Gifts & Awards - Students	\$0	
Gifts & Awards - Teachers and Staff	\$0	
Health Supplies	\$0	
Facility Related Expenses		

Rent	\$0	\$0	
Utilities	\$0	\$0	
Custodial	\$0	\$0	
Waste	\$0	\$0	
Faculty Furniture	\$0	\$0	
Student Furniture	\$0	\$0	
Internet/Network Equipment	\$0	\$0	
Other Equipment	\$0	\$0	
Building Decorum	\$0	\$0	
Tenant Improvements	\$0	\$0	
Other	\$0	\$0	
Other Charges			
Staff Recruitment	\$500	\$500	\$500 per year.
Student Recruitment & Community Engagement	\$500	\$500	\$500 per year.
Parent & Staff Meetings	\$200	\$200	\$200 for planning year.
Authorizer Fee	\$500	\$500	\$500 charter application.
Other	\$0	\$0	
Debt Service			
Other	\$0	\$0	
Total Operating Expenses		4,900	
Total Expenses		4,900	

Memphis Business Academy Hickory Hill High School (MBAHHHS)
New Charter School Application Budget Template
Year 1 Cash Flow

Cash Flow Summary																
Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1
2020 -21	2020 -21	2020 -21	2020 -21	2020 -21	2020 -21	2020 -21	2020 -21	2020 -21	2020 -21	2020 -21	2020 -21	2020 -21	2020 -21	2020 -21	2020 -21	2020 -21
Total Budget	July	Augu st	Sept emb er	Octo ber	Nov emb er	Dece mbe r	Janu ary	Febr uary	Mar ch	April	Ma y	Jun e	Jun e	Total	AR/AP	AR/AP

Beginning Cash	-	-	2,09	4,18	6,27	8,36	10,4	12,5	14,6	16,7	18,8	20,	23,			
Revenues																
State Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
School Activity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Revenues															
Fundraising &															
Philanthropy	30,00	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	-
<hr/>															
Total Revenues	30,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	-
<hr/>															
Expenses															
Staffing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employer Benefits & Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted Services	2,000	167	167	167	167	167	167	167	167	167	167	167	167	2,000	-
Supplies & Materials	1,200	100	100	100	100	100	100	100	100	100	100	100	100	1,200	-
Facility-Related Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Charges	1,700	142	142	142	142	142	142	142	142	142	142	142	142	1,700	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	4,900	408	408	408	408	408	408	408	408	408	408	408	408	4,900	-
Operating Income (Loss)	25,100	2,092	2,092	2,092	2,092	2,092	2,092	2,092	2,092	2,092	2,092	2,092	2,092	25,100	-
<hr/>															
Changes in Accounts Receivable															
Changes in Accounts Payable															
Line of Credit Proceeds															
Line of Credit Repayments															
Other Balance Sheet Activity															
Ending Cash	2,092	4,183	6,275	8,367	10,458	12,550	14,642	16,733	18,825	20,917	23,008	25,100			

Details of Cash Flow															
Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1
2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21
Total	July	August	Septemb	October	November	Decembe	January	Februar	March	April	May	June	Total	AR/AP	

Budget			er		er	r									
Revenues	Revenues													Assumption Notes	
State Revenues														Assumption Notes	
Basic Education Program BEP Transportation Component BEP Capital Outlay Other Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	- -	
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	- -	
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	- -	
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	- -	
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	- -	
Federal Revenues															
Title I Title II Title III NSLP E-Rate CSP Startup Grant Other-IDEA Part 5 Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	- -	
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	- -	
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	- -	
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	- -	
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	- -	
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	- -	
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	- -	
School Activity Revenues															
Other Other Other Other Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	- -	
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	- -	
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	- -	
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	- -	
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	- -	
Fundraising & Philanthropy															
Other	30,00	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	30,00	-	
Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	- -	
Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	- -	

Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Total Revenues	30,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	-

Compensation

Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1
2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21
Total Budget	July	August	Septemb	Octo	Novemb	Decembe	Janu	Febr	Mar	April	May	June	July	Total	AR/AP	

Compensation															Assumption Notes		
Principal/School Leader	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Assistant Principal	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Special Education Coordinator	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Deans, Directors	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Other (Specify in Assumptions)	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Total Administrative Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Instructional Staff															Assumption Notes		
Teachers	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Special Education Teachers	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Educational Assistants/Aides	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Elective Teachers	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Other (Specify in Assumptions)	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Total Instructional Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Non-Instructional Staff															Assumption Notes		
Clerical Staff	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	

Custodial Staff	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Operations	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Social Workers/Counseling	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Other (Specify in Assumptions)	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Total Non-Instructional Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Compensation	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Other Compensation	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Other Compensation	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Other Compensation	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Total Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Employer Benefits & Taxes

Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1
2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21
Total Budget	July	August	Septemb	Octo	Novem	Dece	Janu	Febr	Mar	April	May	June	Tota	AR/	AP	

Assumption Notes

Social Security	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Medicare	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
State Unemployment	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Disability/Life Insurance	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Workers Compensation Insurance	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other Fringe Benefits	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Medical Insurance	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Dental Insurance	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Vision Insurance	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
TCRS Certified Legacy	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	

TCRS Certified Hybrid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
TCRS Classified Legacy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
TCRS Classified Hybrid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Other Classified Retirement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Other Retirement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	
Total Employer Benefits & Taxes	\$0	-	-											

Operating Expenses

Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1
2020 -21	2020 -21	2020 -21	2020 -21	2020 -21	2020 -21	2020 -21	2020 -21	2020 -21	2020 -21	2020 -21	2020 -21	2020 -21	2020 -21	2020 -21
Total Budget	July	August	September	October	November	December	January	February	March	April	May	June	Total	AR/AP

Contracted Services															Assumption Notes
Professional Development	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Professional Development
Financial Services Audit Services	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Financial Services
-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Audit Services
Legal Fees	2,000	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	2,000	-	Legal Fees
Copier Lease and Usage	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Copier Lease and Usage
Internet and Phone Service	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Internet and Phone Service
Cell Phone Service	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Cell Phone Service
Payroll Services	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Payroll Services
Health Services	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Health Services
Transportation	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Transportation
IT Services	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	IT Services
Contracted SPED Services	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Contracted SPED Services

Insurance	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Insurance
Postal Charges	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Postal Charges
Bank Charges	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Bank Charges
Supplies & Materials																
Textbooks and Instructional Supplies		-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Textbooks and Instructional Supplies
Education Software		-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Education Software
Student Supplies		-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Student Supplies
Faculty Supplies		-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Faculty Supplies
Library Books		-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Library Books
Testing & Evaluation		-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Testing & Evaluation
Student Laptops		-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Student Laptops
Faculty Laptops		-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Faculty Laptops
Office Supplies	1,20 0		\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	1,20 0	-	Office Supplies
Printing Paper		-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Printing Paper
Marketing Materials		-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Marketing Materials
Student Uniforms		-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Student Uniforms
Gifts & Awards - Students		-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Gifts & Awards - Students
Gifts & Awards - Teachers and Staff			-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	Gifts & Awards - Teachers and Staff
Health Supplies		-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Health Supplies
Facility Related Expenses																
Rent	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Rent
Utilities	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Utilities
Custodial	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Custodial
Waste	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Waste
Faculty Furniture	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Faculty Furniture
Student Furniture	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Student Furniture
Internet/Network Equipment	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Internet/Network Equipment
Other Equipment	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Other Equipment
Building Decorum	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Building Decorum

Tenant Improvements	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Tenant Improvements
Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Other
Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Other
Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Other
Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Other
Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Other
Other Charges															
Staff Recruitment	500	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	500	-	Staff Recruitment
Student Recruitment & Community Engagement	500	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	500	-	Student Recruitment & Community Engagement
Parent & Staff Meetings	200	\$17	\$17	\$17	\$17	\$17	\$17	\$17	\$17	\$17	\$17	\$17	200	-	Parent Meetings
Authorizer Fee	500	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	500	-	Staff Meetings
Other	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	Other
Debt Service															
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	4,900	408	408	408	408	408	408	408	408	408	408	408	4,900	-	
Total Expenses	4,900	408	408	408	408	408	408	408	408	408	408	408	4,900	-	

Memphis Business Academy Hickory Hill High School (MBAHHHS)
New Charter School Application Budget Template
Year 2 Through 5 Budget

Revenue Assumptions

Annual Revenue Increase Cumulative Increase	Year 1	Year 2	Year 3	Year 4	Year 5
	2020-21	2021-22	2022-23	2023-24	2024-25
	0.00%	1.02%	1.02%	1.02%	1.02%

100.00% 101.02% 102.05% 103.09% 104.14%

Total Enrollment 100 200 300 400

State Revenues		Assumption		Assumption Notes		
Basic Education Program BEP Transportation Component BEP Capital Outlay Other Other	\$8,072	\$815,433	\$1,630,867	\$2,446,300	\$3,261,734	BEP calculation of funding per student is based on the 2017-18 per pupil funding for charter schools that provide transportation).
	\$241	\$24,346	\$48,692	\$73,037	\$97,383	
	\$350	\$35,357	\$70,714	\$106,071	\$141,428	
	\$0	\$0	\$0	\$0	\$0	
	\$0	-	\$0	\$0	\$0	
Federal Revenues						
Title I	\$300	\$29,700	\$59,400	\$89,100	\$118,800	We assume that 97.6% of students are free/reduced lunch status and therefore Title 1 eligible, based on demographics at surrounding public schools.
Title II	\$0	-	\$0	\$0	\$0	
Title III	\$0	-	\$0	\$0	\$0	
NSLP	\$0	-	\$0	\$0	\$0	
E-Rate	\$0	-	\$0	\$0	\$0	
CSP Startup Grant	\$0	-	\$0	\$0	\$0	
Other- IDEA Part 5	\$1,500	\$12,122	\$24,245	\$34,852	\$46,974	IDEA at \$1,500 per SPED student. Allocation per special education student is based on IDEA Regs. 34 C.F.R. 300.209.
Other	\$100,000	-	\$100,000	\$0	\$0	Other start-up grant funds
School Activity Revenues						
Other	\$100	\$10,102	\$20,204	\$30,306	\$40,408	School level fund-raising is at \$100 per student.
Other	\$0	-	\$0	\$0	\$0	
Other	\$0	-	\$0	\$0	\$0	
Other	\$0	-	\$0	\$0	\$0	
Other	\$0	-	\$0	\$0	\$0	
Fundraising & Philanthropy						
Other	\$25,000	\$30,000	\$25,000	\$25,000	\$25,000	The average private fundraising that come from corporations and foundations across all schools in our network is \$25,000.
Other	\$0	-	\$0	\$0	\$0	
Other	\$0	-	\$0	\$0	\$0	
Other	\$0	-	\$0	\$0	\$0	
Other	\$0	-	\$0	\$0	\$0	
Total Revenues		30,000	1,052,061	1,879,121	2,804,666	3,731,727
Compensation						
		Year 1	Year 2	Year 3	Year 4	Year 5
		2020-21	2021-22	2022-23	2023-24	2024-25

Assumption Notes					
Principal/School Leader	-	70,000	71,400	72,828	74,285
Assistant Principal	-	-	60,000	62,424	63,672
Special Education Coordinator	-	-	-	-	-
Deans, Directors	-	-	45,000	46,818	47,754
Other (Specify in Assumptions)	-	-	50,000	52,020	53,060
Total Administrative Compensation	-	70,000	226,400	234,090	238,772
Instructional Staff					
Teachers	-	180,000	275,400	561,816	764,070
Special Education Teachers	-	-	45,000	46,818	47,754
Educational Assistants/Aides	-	-	-	24,000	25,469
Elective Teachers	-	-	25,000	52,020	53,060
Other (Specify in Assumptions)	-	-	-	45,000	47,754
Total Instructional Compensation	-	180,000	345,400	729,654	938,108
Non-Instructional Staff					
Clerical Staff	-	-	30,000	31,212	31,836
Custodial Staff	-	-	-	-	-
Operations	-	-	-	-	-
Social Workers/Counseling	-	-	-	-	-
Other (Specify in Assumptions)	-	-	35,000	36,414	37,142
Total Non-Instructional Compensation	-	-	65,000	67,626	68,979
Other Compensation	-	-	-	-	-
Other Compensation	-	-	-	-	-
Other Compensation	-	-	-	-	-
Other Compensation	-	-	-	-	-
Total Compensation	-	250,000	636,800	1,031,370	1,245,858

Employer Benefits & Taxes

Year 1	Year 2	Year 3	Year 4	Year 5
2020-21	2021-22	2022-23	2023-24	2024-25

							Assumption Notes
Social Security	-	15,500	39,482	63,945	77,243		The Social Security tax rate for employees is 6.20%.
Medicare	-	3,625	9,234	14,955	18,065		The Medicare tax rate is expected to remain at 1.45% of all covered earnings.
State Unemployment	-	2,000	5,600	9,200	10,800		The state unemployment is estimated at \$400 per employee.
Disability/Life Insurance							Disability/life insurance is estimated at 2%.

Workers Compensation Insurance	-	5,000	12,736	20,627	24,917	
Other Fringe Benefits	-	10,975	27,956	45,277	54,693	The Workers' Compensation Insurance is estimated at 4.39% of total payroll.
Medical Insurance	-	41,616	117,912	159,528	187,272	Health insurance is projected to cost \$6,800 per person.
Dental Insurance	-	-	-	-	-	
Vision Insurance	-	-	-	-	-	
TCRS Certified Legacy	-	-	-	-	-	
TCRS Certified Hybrid	-	22,625	57,630	93,339	112,750	The TCRS Hybrid Plan is provided to certified employees at 9.05 of their salary.
TCRS Classified Legacy	-	-	-	-	-	
TCRS Classified Hybrid	-	-	-	-	-	
Other Classified Retirement	-	-	-	-	-	
Other Retirement	-	-	-	-	-	
Total Employer Benefits & Taxes		101,341	270,549	406,871	485,741	

Operating Expenses

Annual Expense Increase Cumulative Increase	Year 1	Year 2	Year 3	Year 4	Year 5	Assumption Notes
	2020-21	2021-22	2022-23	2023-24	2024-25	
	0.00%	2.00%	2.00%	2.00%	2.00%	
100.00%	102.00%	104.04%	106.12%	108.24%		
Contracted Services						
Professional Development	\$500		\$2,526	\$7,071	\$11,617	\$13,638 per FTE
Financial Services	\$0	-	\$0	\$0	\$0	
Audit Services	\$5,000		\$5,100	\$5,202	\$5,306	\$5,412 \$5,000 with 2% inflation adjustment.
Legal Fees	\$2,000	2,000	\$2,040	\$2,081	\$2,122	\$2,165 \$2,000 with 2% inflation adjustment.
Copier Lease and Usage	\$7,000	-	\$7,071	\$14,143	\$21,214	\$27,275 \$500 per month and \$10 per student
Internet and Phone Service	\$3,000		\$3,060	\$3,121	\$3,184	\$3,247 \$250 per month
Cell Phone Service	\$0	-	\$0	\$0	\$0	
Payroll Services	\$3,500	-	\$3,570	\$3,641	\$3,714	\$3,789 \$3,500 with 2% inflation adjustment.
Health Services	\$0	-	\$0	\$0	\$0	
Transportation	\$41,580		\$42,412	\$84,823	\$86,520	\$127,235 Based on \$41,580 bus contracting costs (annual) and the number of students participating: Y1: 50; Y2: 100; Y3: 150; Y4: 200
IT Services	\$500	-	\$500	\$0	\$0	\$0 IT setup
Contracted SPED Services	\$0	-	\$0	\$0	\$0	
Insurance	\$7,000	-	\$7,140	\$7,283	\$7,428	\$7,577 \$7000 per year
Postal Charges	\$5		\$505	\$1,010	\$1,515	\$2,020 \$5 per student
Bank Charges	\$100		\$102	\$104	\$106	\$108 \$100 per year
Supplies & Materials						
Textbooks and Instructional Supplies	\$300	-	\$30,306	\$60,612	\$90,918	\$121,224 \$300 per student

Education Software	\$50		\$5,051	\$10,102	\$15,153	\$20,204	\$50 per student	
Student Supplies	\$50		\$5,051	\$10,102	\$15,153	\$20,204	\$50 per student	
Faculty Supplies	\$250		\$1,010	\$2,020	\$4,293	\$5,304	\$250 per instructional FTE	
Library Books	\$50		\$5,051	\$10,102	\$15,153	\$20,204	\$50 per student	
Testing & Evaluation	\$50		\$5,051	\$10,102	\$15,153	\$20,204	\$50 per student	
Student Laptops	\$40,000		\$40,408	\$80,816	\$81,640	\$122,460	\$40,000 in year 2; \$80,000 in years 3 and 4; and \$120,000 in year 5. The cost rises 2% each year on average.	
Faculty Laptops	\$500		\$2,526	\$4,546	\$4,546	\$2,020	\$500 per faculty laptop (new FTE)	
Office Supplies	\$400	\$1,200	\$408	\$416	\$424	\$433	\$400 per month	
Printing Paper	\$50	-	\$5,051	\$10,102	\$15,153	\$20,204	\$50 per student	
Marketing Materials	\$400		\$408	\$416	\$424	\$433	Marketing- \$400 per year	
Student Uniforms	\$0	-	\$0	\$0	\$0	\$0		
Gifts & Awards - Students	\$10		\$1,010	\$2,020	\$3,031	\$4,041	\$10 per student	
Gifts & Awards - Teachers and Staff	\$10		\$51	\$141	\$232	\$273	\$10 per FTE	
Health Supplies	\$25		\$2,526	\$5,051	\$7,577	\$10,102	\$25 per student per year	
Facility Related Expenses								
Rent	\$250,000		\$255,000	\$260,100	\$265,302	\$270,608	Estimated at \$10 per sq ft.	
Utilities	\$135,000		\$137,700	\$140,454	\$143,263	\$146,128	Estimated at \$5.50 per sq ft.	
Custodial	\$50,000		\$51,000	\$52,020	\$53,060	\$54,122	Estimated at \$2.60 per sq ft.	
Waste	\$0		\$0	\$0	\$0	\$0		
Faculty Furniture	\$100		\$505	\$909	\$909	\$404	per FTE (new faculty)	
Student Furniture	\$5,000		\$5,100	\$5,202	\$5,306	\$5,412	\$5,000 with 2% inflation adjustment.	
Internet/Network Equipment	\$0	-	\$0	\$0	\$0	\$0		
Other Equipment	\$300	-	\$300	\$0	\$0	\$0	Security system (setup cost)	
Building Decorum	\$50	-	\$51	\$52	\$53	\$54	\$50 with 2% inflation adjustment.	
Tenant Improvements	\$0	-	\$0	\$0	\$0	\$0		
Other	\$500	-	\$500	\$0	\$0	\$0	Server	
Other	\$1,800	-	\$1,836	\$1,873	\$1,910	\$1,948	Monthly equipment cost - \$150 per month	
Other	\$0	-	\$0	\$0	\$0	\$0		
Other	\$0	-	\$0	\$0	\$0	\$0		
Other	\$0	-	\$0	\$0	\$0	\$0		
Other Charges								
Staff Recruitment	\$500		\$500	\$510	\$520	\$531	\$541	\$500 per year
Student Recruitment & Community Engagement	\$500		\$500	\$510	\$520	\$531	\$541	\$500 with 2% inflation adjustment.
Parent & Staff Meetings	\$200		\$200	\$204	\$208	\$212	\$216	\$200 annual expenditure
Authorizer Fee	\$0	500	-	-	-	-	-	
Other	\$0	-	-	-	-	-	-	
Debt Service								
Other	\$0	-	-	-	-	-	-	
Other	\$0	-	-	-	-	-	-	
Other	\$0	-	-	-	-	-	-	
Other	\$0	-	-	-	-	-	-	
Other	\$0	-	-	-	-	-	-	

Total Operating Expenses	4,900	631,149	796,888	882,656	1,039,752
Total Expenses	4,900	982,490	1,704,237	2,320,897	2,771,351

Memphis Business Academy Hickory Hill High School (MBAHHHS)
New Charter School Application Budget Template
Year 0 & Years 1 through 5 Summary

Revenue Assumptions						
	Year 0 2019-20	Year 1 2020-21	Year 2 2021-22	Year 3 2022-23	Year 4 2023-24	Year 5 2024-25
Starting Fund Balance	-	-	25,100	94,671	269,555	753,324
State Revenues	-	-	875,136	1,750,273	2,625,409	3,500,545
Federal Revenues	-	-	141,822	83,645	123,952	165,774
School Activity Revenues	-	-	10,102	20,204	30,306	40,408
Fundraising & Philanthropy	-	30,000	25,000	25,000	25,000	25,000
Total Revenues	-	30,000	1,052,061	1,879,121	2,804,666	3,731,727
Staffing	-	-	250,000	636,800	1,031,370	1,245,858
Employer Benefits & Taxes	-	-	101,341	270,549	406,871	485,741
Contracted Services	-	2,000	74,026	128,480	142,727	192,466
Supplies & Materials	-	1,200	103,907	206,549	268,851	367,310
Facility-Related Expenses	-	-	451,992	460,610	469,804	478,677
Other Charges	-	1,700	1,224	1,248	1,273	1,299
Debt Service	-	-	-	-	-	-
Total Expenses	-	4,900	982,490	1,704,237	2,320,897	2,771,351
Net Income	-	25,100	69,571	174,884	483,769	960,376
Ending Fund Balance	-	25,100	94,671	269,555	753,324	1,713,700

Attachment P: Budget Narrative

The detailed budget provided in Attachment T clearly illustrates the increase in expenses necessitated by the acquisition of additional human, programmatic, capital and operational resources over the five year term related directly to MBAHMHS's expansion in enrollment. Thus, the five year budget plans contemplate the increasing need for human and other resources to serve an increasing enrollment of students and the Board of Directors (particularly the Board Chairman and Secretary/Treasurer of MBA) and the CEO will ensure that the MBAHHHS has sufficient financial resources to hire additional staff and acquire additional non-personnel resources.

MBA has developed a budget for the planning year (2020-2021) and four years of MBAHHHS's operation: 2021-2025. Even by making conservative revenue assumptions and fully loading expenses, MBA has created a budget that will have a surplus throughout the first five-year plan of MBAHMHS. MBAHMHS will maintain a contingency fund (private fundraising) totaling \$130,000 in the first five years (\$25,000 per year).

The following narrative describes in more detail some of the major budget assumptions.

➤ Student Assumptions

Line items 12-30: Total Student Enrollment- MBAHHHS will admit 100 students in the first operating year (2016/17). At full enrollment, MBAHHHS will serve 400 students in each grade level 9-12.

Line item 62-63: Special Education (% of student body)-MBAHHHS assumes that a total of 7.8% of students will be classified as special education. The average percentage of special education students across all schools in our network is 7.8 percent.

Line item 65-66: English Language Learners (% of student body)-MBAHHHS assumes that a total of 6.3% of students will be classified as ELL education. The average percentage of ELL students across all schools in our network is 6.3 percent.

Line item 68-74: Title I (% of student body)-MBAHHHS expects to recruit a diverse student population throughout the Hickory Hill neighborhood. MBAHHHS assumes that 97.6% of students are free/reduced lunch status and therefore Title 1 eligible, based on demographics at surrounding public schools.

➤ Pre-Operating Budget

Not applicable.

➤ Pre-Opening Cash Flow

Not applicable.

➤ Year 1-5 Staff Assumptions

Lines 11-105. This sheet outlines our overall expected budget from planning year (2020-21) through year 5 (2024-25) taking into consideration the data from all the other worksheets (i.e., years 2 through 5 budget). The general revenue assumptions are all conservative estimates. Our plan for staffing and salary levels is based on our approach to hiring more instructional staff. The worksheet also factors in a 2% yearly increase in all administrative, support and instructional salaries over the next 4 years.

➤ Year 1 Budget

Lines 120-135: Contracted services assume nothing provided on a pro-bono basis.

Lines 137-152: Office supplies are estimated to \$1,200 for the planning year.

Lines 171-176: Other charges pertain to staff recruitment, student recruitment, and parent and staff meetings.

➤ Year 1 Cash Flow

This worksheet demonstrates our positive cash flow throughout our first year (planning year) with the assistance of private fundraising (\$30,000).

➤ Year 2 Through 5 Budget

Revenues:

Line items 18-48: Our revenues in Year 1 (Planning Year), Year 2 (2021-22), Year 3 (2022-23), Year 4 (2023-24), and Year 5 (2024-25) will be \$30,000, \$1,049,333, \$1,873,666, \$2,796,484 and \$3,720,817, respectively. The following is a description of the key revenue sources and assumptions. Line items 18-22: BEP- calculation of funding per student is \$8,663 per ADM (based on the 2017-18 per pupil funding for charter schools that provide transportation). The breakdown of the BEP funding is as follows: \$8,072 per ADM, \$241 BEP transportation component, and \$350 BEP capital outlay. MBAHHHS expects to receive the same per-pupil base amount (equal to the per-student state and local BEP funds received by the district) multiplied by the school's ADM. The full inflation adjustment is 1.02%.

Line items 24-32: Includes Title 1 based on existing school's allocation (\$300 per eligible student, 97.6% low-income) and Special Education (\$1,500 per eligible students, 7.8% SPED/SWD), and \$100,000 other start-up grant in Year 2.

Line items 34-46:

We have included very modest school activity revenues and private fundraising estimates. School-level fundraising is at \$100 per student. We have a solid track record of raising \$25,000 annually per network school from corporations and foundations and therefore believe the fundraising targets included in the budget are very realistic and conservative.

Expenses:

Lines 51-187: Our total expenses in Year 1, Year 2, Year 3, Year 4, and Year 5 will be \$4,900, \$982,490, \$1,704,237, \$2,320,897, and \$2,771,351 respectively. The following is a description of the key expenses and assumptions.

Lines 56-62: Administrative staff salaries: We have included competitive compensation for our administrative staff (\$70,000 for School Director, \$60,000 for AP/Director of Curriculum and Instruction, \$45,000 for Dean of Students, and \$50,000 for Business Operations Director) and account for a 2% increase in salaries annually.

Lines 64-70: Instructional Staff: We have included competitive compensation for our instructional staff (\$45,000 for core academic subject teacher, \$45,000 for special education teacher, \$24,000 for special education assistant, \$25,000 for Arts/Music/Library and \$45,000 for ESL certified, and account for a 2% increase in salaries annually.

Lines 72-78: Non-instructional staff salaries: We have included competitive compensation for our administrative specialist (\$30,000) and Record specialist (\$35,000) and account for a 2% increase in salary annually.

Lines 94-110: Employer benefits and taxes are based on actual costs at our existing network schools. The Social Security tax rate for employees is 6.20%. The Medicare tax rate is expected to remain at 1.45% of all covered earnings. The state unemployment is estimated at \$400 per employee. Disability/life insurance is estimated at 2%. The Workers' Compensation Insurance is

estimated at 4.39% of total payroll. Health insurance is projected to cost \$6,800 per person. The TCRS Hybrid Plan is provided to certified employees at 9.05 of their salary.

Lines 120-135: The full inflation adjustment for contracted services is 2%.

Lines 137-152: Supplies and Materials: The first priority in the purchase of instructional supplies and instruction-related expenses will be to stock each classroom with the instructional materials needed to provide high-quality instruction. Textbooks and instructional supplies are budgeted at \$300 per student, \$50 per student for educational software, \$50 per student for student supplies, \$250 per instructional FTE for faculty supplies, \$50 per student for student supplies, \$50 per student for library books, \$50 per student for testing and evaluation, \$25 per student for health supplies, \$25 per student for printing paper, and \$10 per student for gifts/awards. Student laptops are mobile laptop carts that total \$40,000 in year 2, \$80,000 in years 3 and 4, and \$120,000 in year 5. The cost rises 2% each year on average. We have included \$500 for faculty laptops for each new employee (FTE) per year.

Lines 154-169: Facility Related Expenses: MBA assumes that the leasing arrangements in Hickory Hill will allow MBAHHHS to only pay for the occupied building space. MBAHHHS budgets a rate of \$10.00 per square foot from the operational year to the final year. MBAHHHS estimates the lease at \$250,000 from year 1 to year 5, including 2% incremental increases in rent annually. Custodial services are estimated at \$2.60 per square foot. Utilities are estimated at \$5.50 per square foot.

Lines 171-176: Other Charges: Staff recruitment and parent/staff meetings are based on projected expenses of existing school for human resource sourcing firm, materials, informational sessions and fairs for both students and staff.

➤ Summary

A summary of the total expenditures versus total revenues is presented in the final tab. The net income is \$29,100 in year 1, \$69,571 in year 2, \$174,884 in year 3, \$483,769 in year 4 and \$960,376 in year 5. The surplus figures are aligned with mission-driven goals to create high-quality educational opportunities for students.

Attachment Q: Network Budget

Memphis Business Academy

Profit and Loss

July 2014 - June 2017

	Jul 2014 - Jun 2015	Jul 2015 - Jun 2016	Jul 2016 - Jun 2017	Total
Income				
4270000 Rent Income	4,700.00	1,600.00	7,225.00	13,525.00
4400000 Student Body Activities (Other Local Revenue)	8,947.90	108,218.58	140,700.87	257,867.35
4410000 Student Fees	2,996.25	0.00	0.00	2,996.25
44120 Lunch Payments-Children (deleted)	2,080.30	0.00	0.00	2,080.30
4413000 Uniforms (deleted)	355.00	0.00	0.00	355.00
4420000 State Education Funds	367,954.00	406,000.00	498,000.00	1,271,954.00
				0

	7,697,886.	8,215,422.	10,344,197.	26,257,506.	
4430000 Fed Funds Rcvd Thru State	17	24	77	18	
4431000 Federal Funds Received from the State - Title I				1,377,845.1	
	435,048.53	292,132.48	650,664.15	6	
				1,554,437.8	
4440000 Contributions & Gifts	321,748.71	462,893.12	769,796.00	3	
4450000 Lost & Damaged Textbooks (deleted)					
	1,176.54	0.00	0.00	1,176.54	
	\$	\$	\$	\$	
Total Income	8,842,893.	9,486,266.	12,410,583.	30,739,743.	
	40	42	79	61	
	\$	\$	\$	\$	
Gross Profit	8,842,893.	9,486,266.	12,410,583.	30,739,743.	
	40	42	79	61	
Expenses					
7110000 Regular Instructional Program					
7110116 RIP - Teachers	2,933,550.	3,403,298.	3,820,928.8	10,157,777.	
	01	81	6	68	
7110163 RIP - Educational Assts	155,160.66	300,373.07	788,066.94	1,243,600.6	
7110164 RIP - Educational Assts- Title I				7	
7110204 RIP - State Retirement	321,934.19	302,227.56	0.00	624,161.75	
7110206 RIP - Life Insurance	265,223.59	112,640.93	218,364.98	596,229.50	
7110207 RIP - Health Insurance	9,638.19	19,313.48	14,256.70	43,208.37	
				1,231,070.4	
7110210 RIP - Unemployment comp	373,034.83	379,210.16	478,825.46	5	
7110212 RIP - Employer Withholding	18,735.56	17,682.36	20,134.57	56,552.49	
7110355 RIP - Travel	234,765.27	289,127.40	331,867.97	855,760.64	
7110399 RIP - Other Contract Sev	0.00	4,343.48	0.00	4,343.48	
7110429 RIP - Instr Supplies/Materials	101,668.98	51,532.00	194,646.45	347,847.43	
7110439 RIP - Shipping, Freight & Delivery	25,289.36	74,254.65	210,706.21	310,250.22	
7110449 RIP - Textbooks	2,074.89	2,141.22	0.00	4,216.11	
7110499 RIP - Other Supplies/Materials	15,697.64	0.00	0.00	15,697.64	
7110599 RIP - Other Charges	8,571.89	21,627.31	6,676.57	36,875.77	
7110722 RIP - Instructional Equipment	1,103.09	526.00	19,299.14	20,928.23	
Total 7110000 Regular Instructional Program	22,887.17	0.00	121,576.83	144,464.00	
	\$	\$	\$	\$	
	4,489,335.	4,978,298.	6,225,350.6	15,692,984.	
	32	43	8	43	
7120000 Special Education Program					
7120116 SEP - Teachers	0.00	0.00	153,968.67	153,968.67	
7120163 SEP - Educational Assistants	0.00	0.00	97,373.27	97,373.27	
7120206 SEP - Life Insurance	0.00	0.00	733.11	733.11	
7120207 SEP - Medical Insurance	0.00	0.00	29,093.81	29,093.81	
7120210 SEP - Unemployment Compensation	0.00	0.00	852.82	852.82	
7120212 SEP - Employer Withholdings	0.00	0.00	17,946.48	17,946.48	
7120399 SEP - Other Contracted Services	0.00	0.00	13,502.90	13,502.90	
Total 7120000 Special Education Program	\$	\$	\$	\$	
7140000 Student Body Education Program	0.00	0.00	313,471.06	313,471.06	0.00

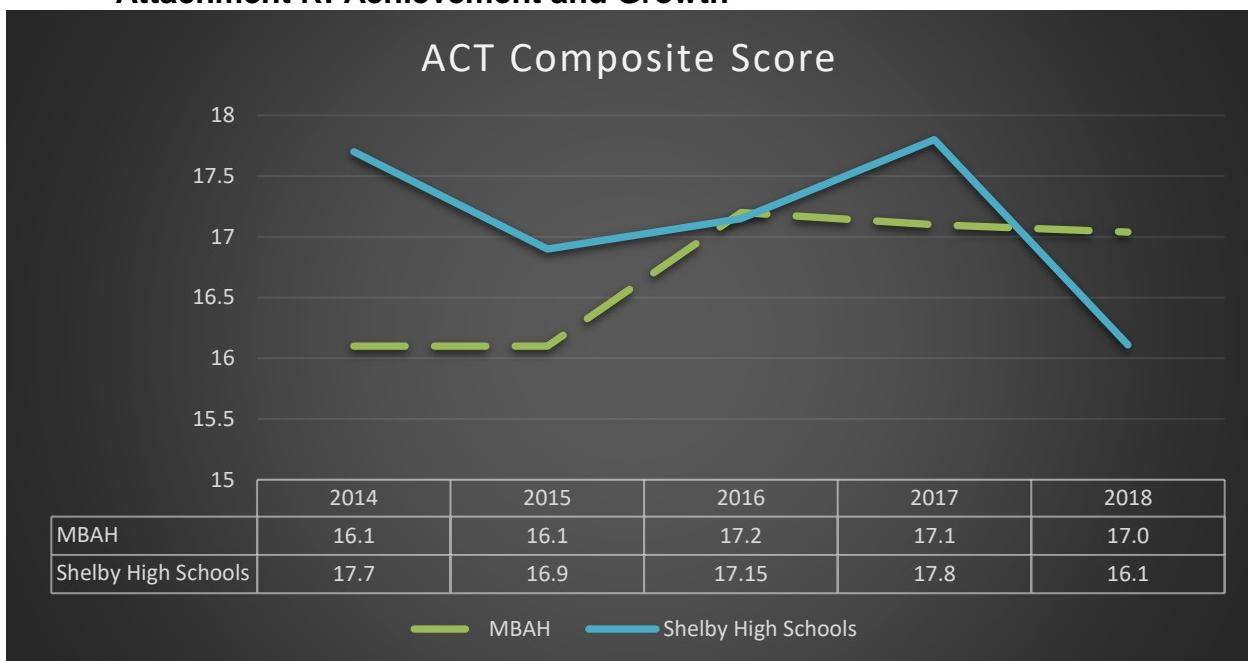
7140599 SBEP - Other Charges	104,116.99	165,150.38	192,779.04	462,046.41	-
Total 7140000 Student Body Education Program	104,116.99	165,150.38	192,779.04	462,046.41	
7212000 Health Services					
7212399 HS - Other Contracted Services	0.00	672.00	1,933.66	2,605.66	-
Total 7212000 Health Services	0.00	672.00	1,933.66	2,605.66	
7213000 Other Student Support					
7213123 OSS - Guidance Personnel	-	-	41,129.07	41,129.07	
7213210 OSS - Unemployment Compensation	-	-	213.53	213.53	
7213212 OSS - Employer Withholding	-	-	3,041.15	3,041.15	
Total 7213000 Other Student Support	-	-	44,383.75	44,383.75	
7231000 Board of Education					
7231305 BOE - Audit Services	24,115.00	48,000.00	28,865.00	100,980.00	
7231331 BOE - Legal & Professional Fees	14,887.50	6,707.04	11,186.13	32,780.67	
7231506 BOE - Liability Insurance	9,500.00	803.00	7,566.00	17,869.00	
7231513 BOE - Worker's Comp	87,081.00	120,065.20	91,619.72	298,765.92	
7231533 BOE - Criminal Inv App	0.00	0.00	1,362.79	1,362.79	
Total 7231000 Board of Education	135,583.50	175,575.24	140,599.64	451,758.38	(0.00)
7241000 Office of the Principal					
7241104 OP - Principal	158,194.07	173,927.70	264,823.34	596,945.11	
7241119 OP - Bookkeeping/Accountants	0.00	0.00	42,652.65	42,652.65	
7241161 OP - Secretary	173,774.94	175,000.29	179,043.00	527,818.23	
7241189 OP - Other Salaries & Wages	579,393.54	583,007.94	508,759.60	1,671,161.08	
7241204 OP - State Retirement	71,643.44	0.00	0.00	71,643.44	
7241206 OP - Life Insurance	2,797.51	4,789.74	4,000.43	11,587.68	
7241207 OP - Health Insurance	67,791.84	65,696.87	88,173.94	221,662.65	
7241210 OP - Unempl. Comp	3,738.74	2,907.59	3,592.87	10,239.20	
7241212 OP - Employer Withholding	66,824.43	67,903.23	73,200.81	207,928.47	
7241302 OP - Advertising	4,970.00	18,460.29	0.00	23,430.29	
7241307 OP - Communication Services	24,387.16	32,478.57	39,278.70	96,144.43	
7241336 OP - Maintenance and Repair Services	619.20	0.00	3,493.55	4,112.75	
7241348 OP - Postal charges	1,810.76	2,747.41	1,042.00	5,600.17	
7241355 OP - Travel	9,376.01	9,578.08	50,949.82	69,903.91	
7241399 OP - Other Contract Ser	307,664.22	228,475.29	300,445.79	836,585.30	
7241435 OP - Office Supplies	12,268.06	22,838.04	37,464.17	72,570.27	
7241499 OP - Other Supplies/Materials	4,077.14	1,813.74	192.11	6,082.99	
7241524 OP - Staff Devel	72,042.80	43,399.83	36,407.70	151,850.33	
7241599 OP - Other Charges	52,669.90	91,921.64	86,515.11	231,106.65	
7241601 OP - Bank Charges	976.23	1,248.50	1,531.59	3,756.32	

7241701 OP - Admin Equipment	107.51	0.00	8,901.03	9,008.54	
7241703 OP - Dues & Subscriptions	11,439.90	1,978.74	16,912.56	30,331.20	
7241705 OP - Legal & Professional Fees	0.00	0.00	833.33	833.33	
7241706 OP - Meals and Entertainment	1,901.02	289.40	0.00	2,190.42	
7241707 OP - Office Expenses	231.47	0.00	0.00	231.47	
7241713 OP - Rent or Lease of Building	143,000.00	127,000.00	182,000.00	452,000.00	
7241715 OP - Shipping, Freight & Delivery	1,953.85	0.00	0.00	1,953.85	
7241716 OP - Taxes & Licenses	13,589.88	21,591.10	24,206.83	59,387.81	
	\$ 1,787,243. 62	\$ 1,677,053. 99	\$ 1,954,420.9 3	\$ 5,418,718.5 4	0.00
Total 7241000 Office of the Principal					
7251000 Fiscal Services					
7251119 FS - Accountant/Bookkeeper	0.00	750.00	80,324.77	81,074.77	
7251204 FS - State Retirement Compensation	0.00	0.00	0.00	0.00	
7251210 FS - Unemployment Compensation	0.00	0.00	444.64	444.64	
7251212 FS - Employer Withholdings	0.00	0.00	6,146.52	6,146.52	
7251399 FS - Other Contract Services	0.00	3,000.00	28,000.00	31,000.00	
7251599 FS - Other charges	0.00	300.95	0.00	300.95	
	\$ 0.00	\$ 4,050.95	\$ 114,915.93	\$ 118,966.88	-
Total 7251000 Fiscal Services					
7261000 Operation of Plant					
7261105 OOP - Supervisor/Director	0.00	0.00	54,191.04	54,191.04	
7261160 OOP - Guards	31,876.17	26,762.00	32,826.30	91,464.47	
7261166 OOP - Custodial	154,810.88	166,941.95	154,945.12	476,697.95	
7261204 OOP - State Retirement	11,519.62	0.00	0.00	11,519.62	
7261206 OOP - Life Insurance	593.90	860.87	794.76	2,249.53	
7261207 OOP - Medical Insurance	16,073.28	15,445.97	23,618.90	55,138.15	
7261210 OOP - Unempl Comp	1,631.18	1,275.07	1,765.60	4,671.85	
7261212 OOP - Employer Withholding	13,624.88	14,585.04	17,021.81	45,231.73	
7261399 OOP - Other Contract Ser	23,766.83	22,902.72	25,736.99	72,406.54	
7261410 OOP - Custodial Supplies	30,542.63	35,619.70	40,045.00	106,207.33	
7261415 OOP - Electricity	150,961.57	191,468.38	233,337.65	575,767.60	
7261599 OOP - Other Charges	1,561.58	1,478.60	1,092.06	4,132.24	
	\$ 436,962.52	\$ 477,340.30	\$ 585,375.23	\$ 1,499,678.0 5	0.00
Total 7261000 Operation of Plant					
7262000 Maintenance of Plant					
7262105 MOP - Supervisor/Director	0.00	0.00	48,029.78	48,029.78	
7262210 MOP - Unemployment Comp	0.00	0.00	128.01	128.01	
7262212 MOP - Employer Withholding	0.00	0.00	3,674.42	3,674.42	
7262335 MOP - Maintenance & Repair Services -Building	10,690.07	28,742.74	158,309.33	197,742.14	
7262399 MOP - Other Contract Ser	107,874.31	176,550.64	97,017.36	381,442.31	
7262499 MOP - Other Supplies/Materials	787.93	826.95	667.64	2,282.52	
7262599 MOP - Other charges	1,862.90	365.00	0.00	2,227.90	

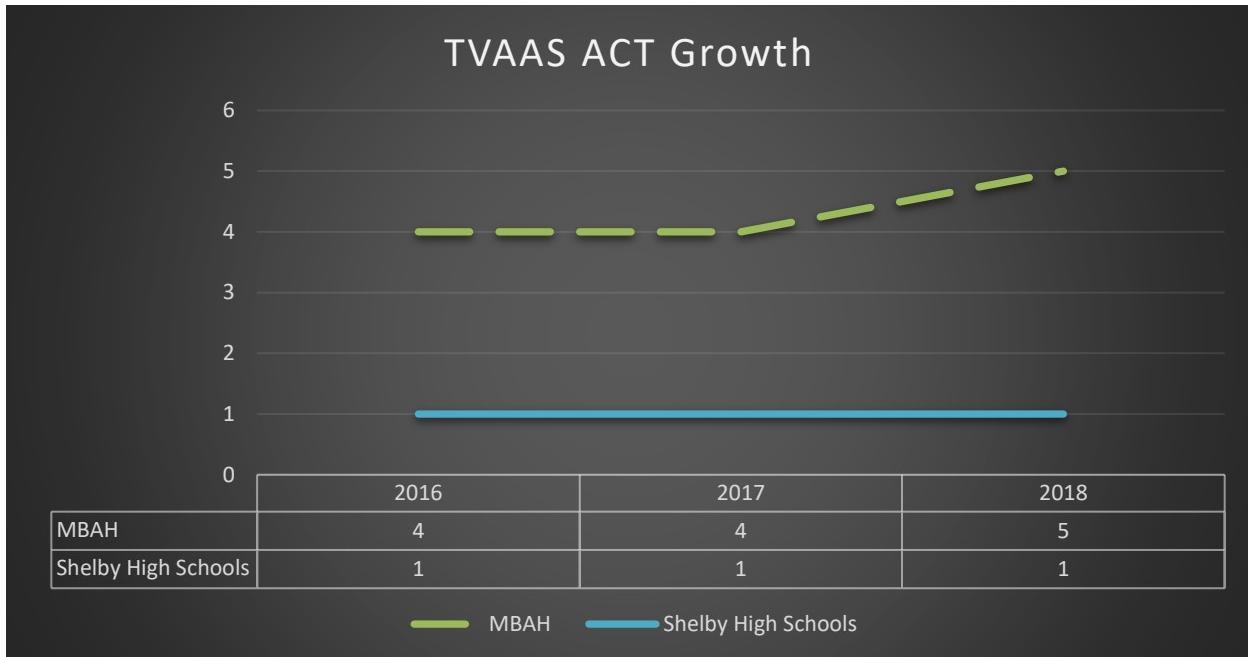
Total 7262000 Maintenance of Plant	\$ 121,215.21	\$ 206,485.33	\$ 307,826.54	\$ 635,527.08	0.00
7271000 Transportation					
7271105 TRANS - Mechanics	72,424.69	72,857.82	37,348.15	182,630.66	
7271146 TRANS - Bus Drivers	0.00	0.00	37,348.15	37,348.15	
7271203 TRANS - State Retirement	6,258.78	0.00	0.00	6,258.78	
7271208 TRANS - Unemployment Insurance	378.01	303.88	314.77	996.66	
7271209 TRANS - Life Insurance	288.20	309.58	401.88	999.66	
7271212 TRANS - Employer Withholdings	5,533.65	5,568.18	5,697.40	16,799.23	
7271314 TRANS - Public Carriers	2,605.80	135,073.83	258,996.34	396,675.97	
7271338 TRANS - Maintenance & Repair	1,773.80	6,070.38	2,039.73	9,883.91	
7271425 TRANS - Gasoline	4,474.74	28,521.10	25,694.70	58,690.54	
7271599 TRANS - Other Charges	249.25	279.20	5,145.50	5,673.95	
7271626 TRANS - Vehicle & Equipment Insurance	0.00	0.00	7,658.08	7,658.08	
Total 7271000 Transportation	\$ 93,986.92	\$ 248,983.97	\$ 380,644.70	\$ 723,615.59	(0.00)
7330000 Non-Instructional Serv					
7330106 NIS - Parent Liaison	59,984.14	89,304.72	91,048.54	240,337.40	
7330204 NIS - State Retirement	2,510.55	0.00	0.00	2,510.55	
7330206 NIS - Life Insurance	334.36	347.20	0.00	681.56	
7330207 NIS - Health Insurance	21,283.79	17,379.28	4,866.39	43,529.46	
7330210 NIS - Unemployment	345.51	304.00	166.14	815.65	
7330212 NIS - Employer Withholding	3,953.30	6,047.33	7,499.88	17,500.51	-
Total 7330000 Non-Instructional Serv	\$ 88,411.65	\$ 113,382.53	\$ 103,580.95	\$ 305,375.13	
8310000 Bank Service Charge	2,116.07	0.00	0.00	2,116.07	
Total Expenses	7,258,971. 80	8,046,993. 12	10,365,282. 11	25,671,247. 03	
Net Operating Income	\$ 1,583,921. 60	\$ 1,439,273. 30	\$ 2,045,301.6 8	\$ 5,068,496.5 8	
Other Income					0.00
4543100 Other Income	0.00	112.60	0.00	112.60	
4543000 Interest Earned	2.12	3.00	8.04	13.16	
4544000 Gain on Sale of Property	0.00	0.00	17,763.95	17,763.95	
Total Other Income	\$ 2.12	\$ 115.60	\$ 17,771.99	\$ 17,889.71	
Other Expenses					
8000000 Depreciation - Textbooks	69,722.67	62,714.05	63,967.81	196,404.53	
8100000 Depreciation Expense	293,398.83	344,821.79	347,505.54	985,726.16	
8330000 Interest Expense	170,147.92	149,080.58	187,489.33	506,717.83	
Total Other Expenses	\$ 533,269.42	\$ 556,616.42	\$ 598,962.68	\$ 1,688,848.5 2	

	-\$		-\$		-\$
Net Other Income	533,267.30	556,500.82	581,190.69	1,670,958.81	
Net Income	1,050,654. 30	882,772.48	1,464,110.99	3,397,537.77	
					3,397,537.77

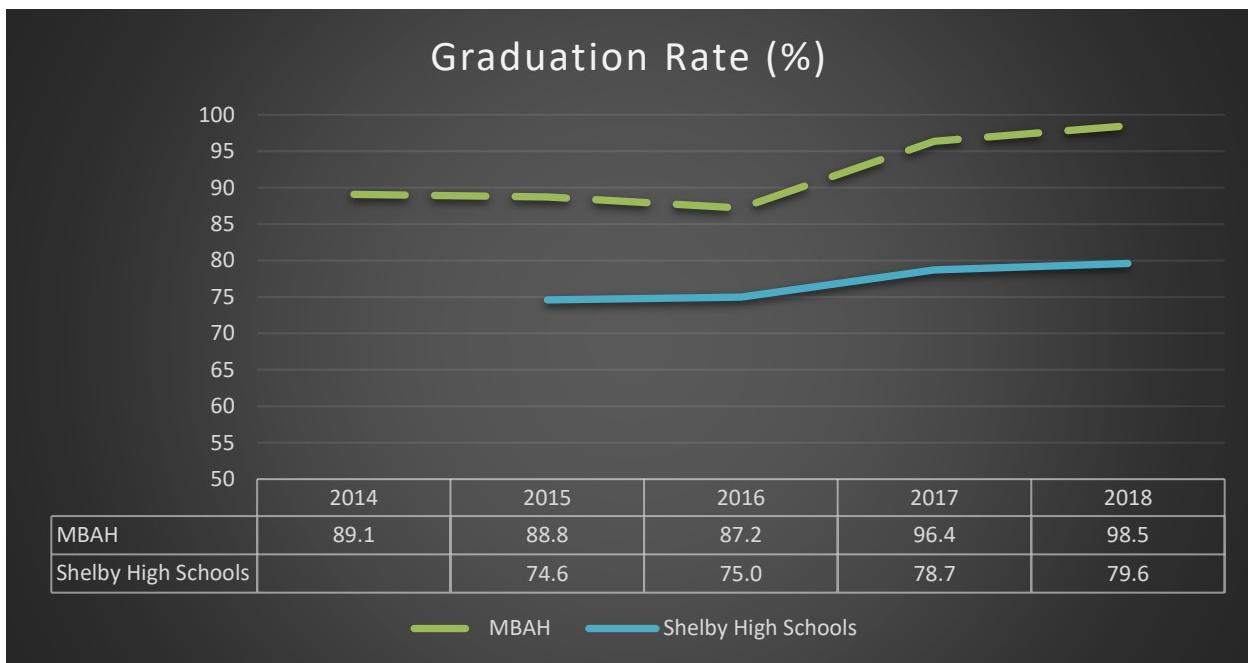
Attachment R: Achievement and Growth

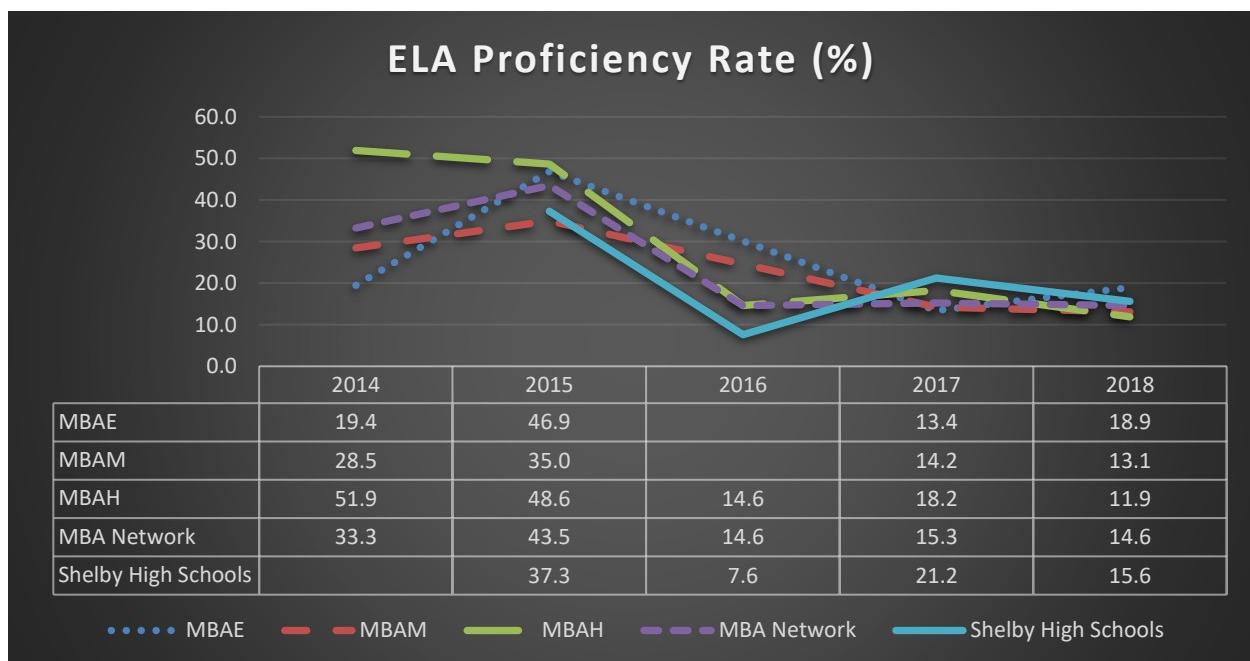
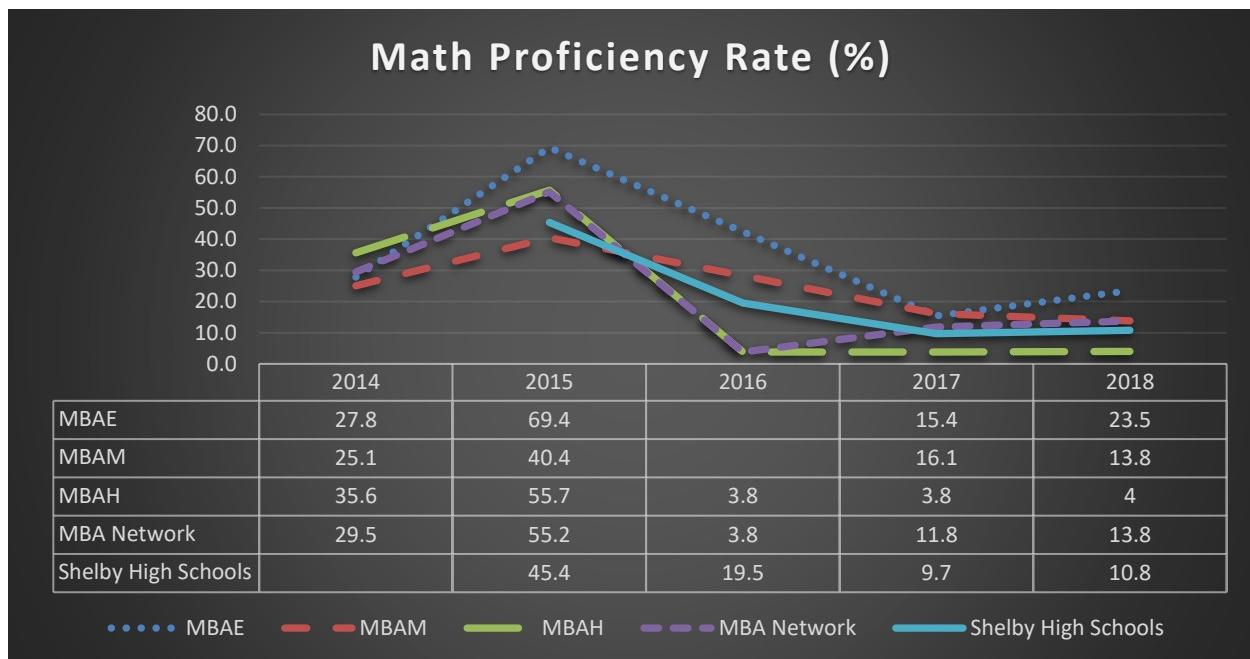


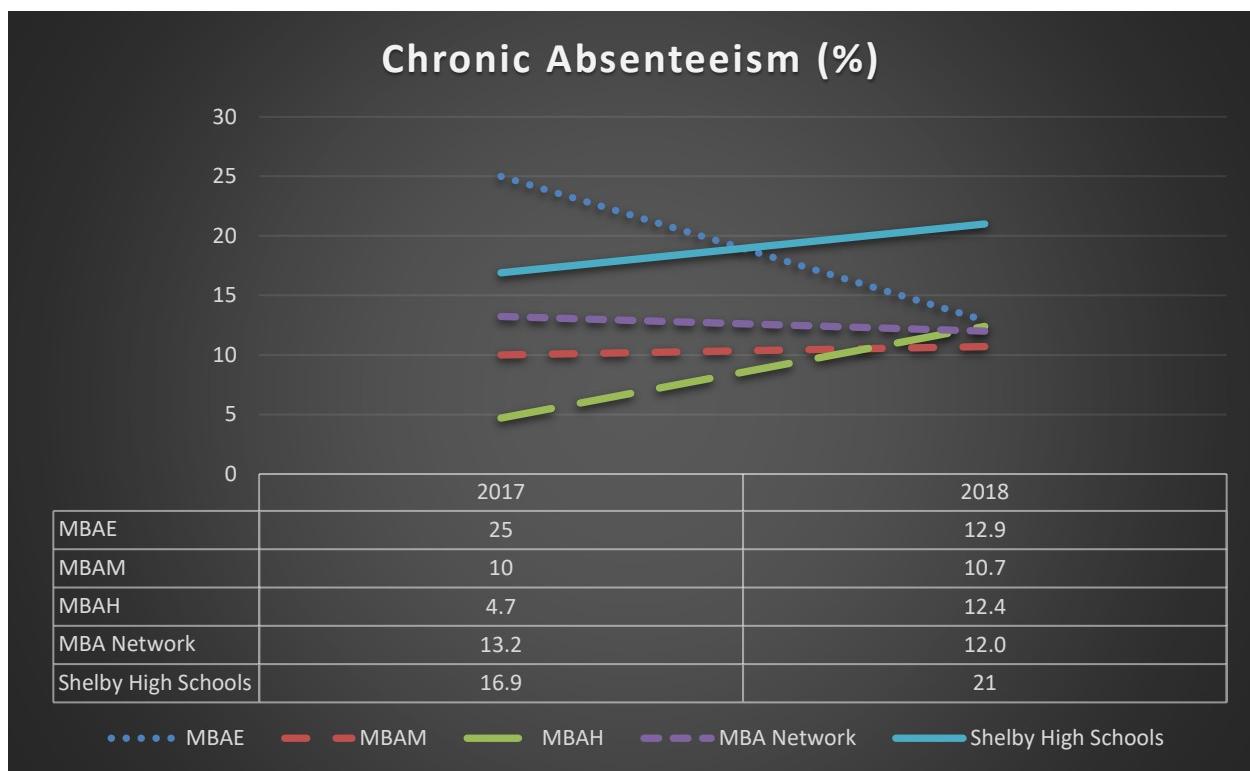
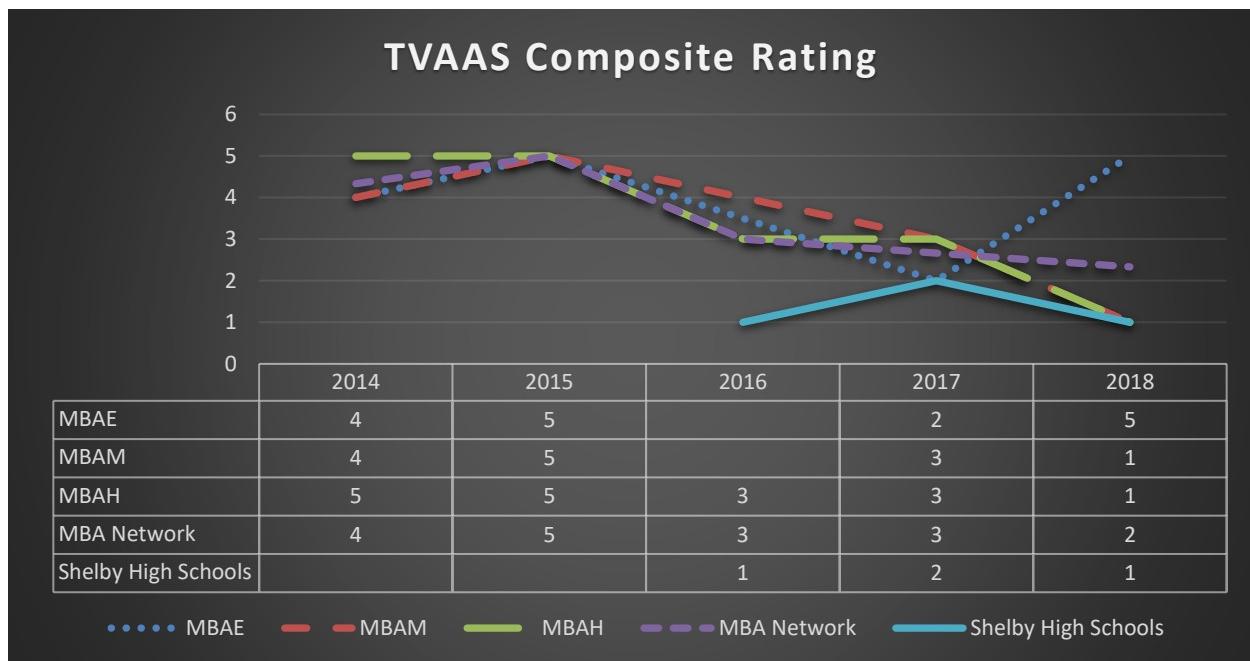
TVAAS ACT Growth

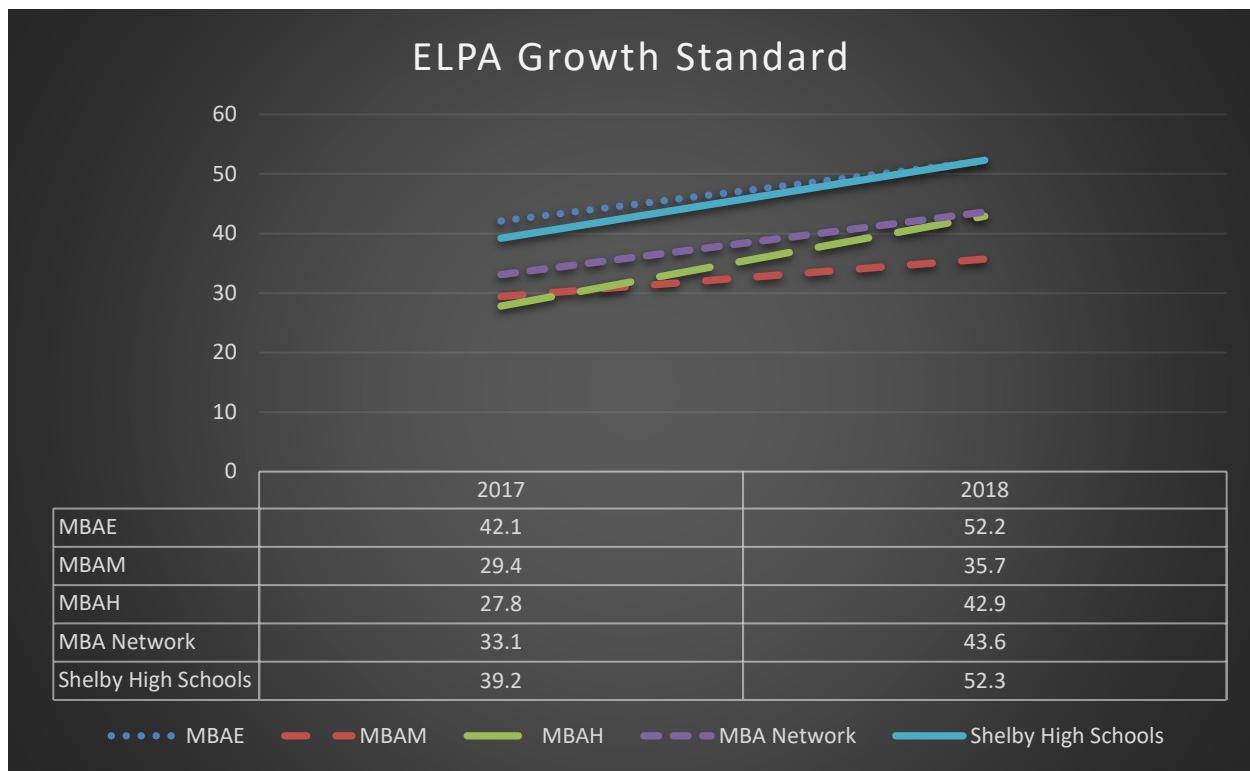


Graduation Rate (%)









MBA Elementary	2014	2015	2016	2017	2018
Math Proficiency Rate (%)	27.8	69.4		15.4	23.5
ELA Proficiency Rate (%)	19.4	46.9		13.4	18.9
TVAAS Composite	4	5		2	5
Chronic Absenteeism				25	12.9
ELPA Growth Standard				42.1	52.2

MBA Middle	2014	2015	2016	2017	2018
Math Proficiency Rate (%)	25.1	40.4		16.1	13.8
ELA Proficiency Rate (%)	28.5	35.0		14.2	13.1
TVAAS Composite	4	5		3	1
Chronic Absenteeism (%)				10	10.7
ELPA Growth Standard (%)				29.4	35.7

MBA High	2014	2015	2016	2017	2018
Math Proficiency Rate (%)	35.6	55.7	3.8	3.8	4
ELA Proficiency Rate (%)	51.9	48.6	14.6	18.2	11.9
TVAAS Composite	5	5	3	3	1
ACT Composite	16.1	16.1	17.2	17.1	17.0
TVAAS ACT Growth			4	4	5
Graduation Rate (%)	89.1	88.8	87.2	96.4	98.5
Chronic Absenteeism				4.7	12.4

ELPA Growth Standard				27.8	42.9
Ready Graduates				14.5	10.4

MBA Network	2014	2015	2016	2017	2018
Math Proficiency Rate (%)	29.5	55.2	3.8	11.8	13.8
ELA Proficiency Rate (%)	33.3	43.5	14.6	15.3	14.6
TVAAS Composite	4	5	3	3	2
ACT Composite	16.1	16.1	17.2	17.1	17.0
TVAAS ACT Growth			4	4	5
Graduation Rate	89.1	88.8	87.2	96.4	98.5
Chronic Absenteeism				13.2	12.0
ELPA Growth Standard				33.1	43.6
Ready Graduates				14.5	10.4

Shelby County High Schools	2014	2015	2016	2017	2018
Math Proficiency Rate (%)		45.4	19.5	9.7	10.8
ELA Proficiency Rate (%)		37.3	7.6	21.2	15.6
TVAAS Composite			1	2	1
ACT Composite	17.7	16.9	17.15	17.8	16.1
TVAAS ACT Growth			1	1	1
Graduation Rate (%)		74.6	75.0	78.7	79.6
Chronic Absenteeism				16.9	21
ELPA Growth Standard				39.2	52.3
Ready Graduates				15.6	17.7

* Missing data is indicated by a blank cell

Attachment S: Portfolio Summary

School Name	Year Opened	City	State	Grades Served	Total Enrollment
Memphis Business Academy Elementary School	2011	Memphis	TN	Grades K-5	360
Memphis Business Academy High School	2008	Memphis	TN	Grades 9-12	457
Memphis Business Academy Middle School	2005	Memphis	TN	Grades 6-8	439

Memphis STEM Academy	2016	Memphis	TN	Grades K-3	120
Memphis Business Academy Hickory Hill Elementary School	2018	Memphis	TN	Grade K	Not available
Memphis Business Academy Hickory Hill Middle School	2018	Memphis	TN	Grade 6	Not available

Demographics and Socioeconomics							
School Name	% African American	% Hispanic	% White	% Other Race/ Ethnicity	% FRPL	% SPED	% ELL
Memphis Business Academy Elementary School	67.3	30.4	1.8	0.5	92.9	2.6	19.4
Memphis Business Academy High School	80.3	18.2	0.4	1.1	91.3	7.6	6.5
Memphis Business Academy Middle School	84.7	14.6	0.9	0.5	99.1	4.0	5.4
Memphis STEM Academy	77	23	0	0	68	4.9	16
Memphis Business Academy Hickory Hill Elementary School	Not available						
Memphis Business Academy Hickory Hill Middle School							

School Contact Info					
School Name	Contact Name	Contact Title	Contact Email		Contact Phone
Memphis Business Academy Elementary School	Mr. Noah Gordon	Principal	noah.gordon@mbaexecutives.org		901-591-7267
Memphis Business Academy High School	Mrs. Shunskis Hamilton	Principal	shunskis.hamilton@mbaexecutives.org		901-357-8680
Memphis Business Academy Middle	Mrs. Shunskis Hamilton	principal	shunskis.hamilton@mbaexecutives.org		901-357-8680
Memphis STEM Academy	Dr. LaWanda M. Clark	principal	Lawanda.Clark@mbaexecutives.org		901-353-1476

Memphis Business Academy Hickory Hill Elementary School	Mrs. Marsharee Shaw	Principal	Marsharee.Shaw@mbaexecutives.org	901-591-7267
Memphis Business Academy Hickory Hill Middle School	Mrs. Marsharee Shaw	Principal	Marsharee.Shaw@mbaexecutives.org	901-591-7267

* data source: https://www.tn.gov/content/dam/tn/education/data/profile/school_profile_2017-18.xlsx

Authorizer Contact Information				
Authorizing Organization	Contact Name	Contact Title	Contact Email	Contact Phone
Shelby County Schools	Daphne Robinson	Director of Charter Schools	robinsond5@scsk12.org	901-416-5321

Attachment U: Financial Statements

Memphis Business Academy Schools Management Report

March 31, 2018

Management Report

May 3, 2018

Table of Contents

Consolidating Balance Sheet	3 - 4
Consolidating Profit and Loss	5 - 8
Debt Analysis.....	9

Management Report

May 3, 2018

Consolidating Balance Sheet March 31, 2018

Assets

ASSETS					Hickory Hill		
	Elementary	Middle	High	MSA	Elementary	Middle	Total
Current Assets							
Cash	\$ 639,806	\$ 565,423	\$ 628,799	\$ 112,969	\$ 500	\$ 500	\$ 1,947,997
Accrued Revenue (Title I and II)	23,318	51,023	31,248	6,867	-	-	112,456
Net Pension Asset (Liability)	(65,145)	31,615	(4,095)	-	-	-	(37,625)
Total Current Assets	<u>597,979</u>	<u>648,061</u>	<u>655,952</u>	<u>119,836</u>	<u>500</u>	<u>500</u>	<u>2,022,827</u>
Fixed Assets							
Land	29,033	860,252	241,888	-	-	-	1,131,173
Land - Harmony Plaza	-	352,846	-	-	-	-	352,846
Buildings - operating	777,052	5,213,227	1,655,262	-	-	-	7,645,541
Buildings - Harmony Plaza	-	1,086,322	-	-	-	-	1,086,322
Building Improvements	396,024	1,227,385	16,631	-	-	-	1,640,040
Building Improvements - Harmony Plaza	-	2,200	-	-	-	-	2,200
Food Service Equipment	3,023	10,609	40,361	-	-	-	53,992
Textbooks	103,588	61,399	249,039	9,810	-	-	423,837
Administration Equipment	8,616	75,204	69,932	-	-	-	153,752
Reg Instr Equipment	111,603	229,618	281,168	-	-	-	622,389
Furniture & Fixtures	56,294	48,772	141,091	-	-	-	246,157
Vehicles	10,000	42,316	246,923	-	-	-	299,239
Equipment	-	1,771	-	-	-	-	1,771
Lockers	12,180	2,052	-	12,040	-	-	26,272
Building A/D	(49,090)	(351,129)	(327,870)	-	-	-	(728,090)
Building Harmony Plaza A/D	-	(18,570)	-	-	-	-	(18,570)
Building Improvements A/D	(48,218)	(624,381)	(318)	-	-	-	(672,917)
Building Improvements Harmony Plaza A/D	-	(98)	-	-	-	-	(98)
Food Service Equipment - A/D	(1,490)	(10,609)	(40,361)	-	-	-	(52,459)
Textbook A/D	(64,569)	(39,361)	(222,817)	(1,145)	-	-	(327,890)
Administration Equipment A/D	(4,749)	(70,450)	(64,296)	-	-	-	(139,495)
Reg Instr Equipment A/D	(60,936)	(145,177)	(193,879)	-	-	-	(399,992)
Furniture and Fixtures A/D	(41,850)	(37,835)	(124,367)	-	-	-	(204,052)
Vehicles A/D	(10,000)	(10,579)	(117,335)	-	-	-	(137,914)
Equipment A/D	-	(1,223)	-	-	-	-	(1,223)
Lockers - A/D	(5,752)	(2,052)	-	(5,685)	-	-	(13,489)
Total Fixed Assets	<u>1,220,759</u>	<u>7,902,510</u>	<u>1,851,053</u>	<u>15,020</u>	<u>-</u>	<u>-</u>	<u>10,989,342</u>
Other Assets							
Assets Not-in-Service	-	288,909	-	-	-	-	288,909
Security Deposits	-	-	-	-	-	-	-
Deferred Outflows Related to Pension	684,034	718,647	861,192	41,640	-	-	2,305,513
Total Other Assets	<u>684,034</u>	<u>1,007,556</u>	<u>861,192</u>	<u>41,640</u>	<u>-</u>	<u>-</u>	<u>2,594,422</u>
TOTAL ASSETS	<u>\$ 2,502,772</u>	<u>\$ 9,558,126</u>	<u>\$ 3,368,197</u>	<u>\$ 176,496</u>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 15,606,590</u>

Consolidating Balance Sheet
March 31, 2018
(continued)

Liabilities and Net Assets

							Hickory Hill			
	Elementary	Middle	High	MSA	Elementary	Middle	Total			
LIABILITIES AND NET ASSETS										
Liabilities										
Current Liabilities										
Accounts Payable	\$ 12,854	\$ 15,712	\$ 19,871	\$ 10,873	\$ -	\$ -	\$ 59,310			
Credit Card Payable	-	9,364	-	-	-	-	9,364			
Accrued Expenses	60,532	50,790	47,931	23,115	385	210	182,963			
Payroll Liabilities	19,291	21,016	20,115	6,755	275	150	67,602			
Note Payable - Current Portion										
Notes Payable ST - Annex	-	21,898	-	-	-	-	21,898			
Notes Payable ST - Overton	-	-	46,322	-	-	-	46,322			
Notes Payable ST - Ford Explorer	-	1,804	-	-	-	-	1,804			
Notes Payable ST - Harmony Plaza	-	72,048	-	-	-	-	72,048			
Notes Payable ST - Berclair	8,255	-	-	-	-	-	8,255			
Notes Payable ST - Bus 2016	-	-	3,814	-	-	-	3,814			
Notes Payable ST - Bus 2018	-	-	1,873	-	-	-	1,873			
Total Current Portion	8,255	95,750	52,010	-	-	-	156,014			
Total Current Liabilities	100,932	192,633	139,927	40,742	660	360	475,254			
Long-Term Liabilities										
Deferred Inflows Related to Pension	377,343	454,039	468,063	-	-	-	1,299,445			
Tenant Deposits	-	8,233	-	-	-	-	8,233			
Note Payable, Long-Term Portion										
Notes Payable - Annex	-	2,015,151	-	-	-	-	2,015,151			
Notes Payable - Overton	-	-	1,002,035	-	-	-	1,002,035			
Note Payable - Ford Explorer	-	28,765	-	-	-	-	28,765			
Note Payable - Harmony Plaza	-	3,346,570	-	-	-	-	3,346,570			
Notes Payable - Berclair	531,902	-	-	-	-	-	531,902			
Notes Payable - Bus 2016	-	-	71,563	-	-	-	71,563			
Notes Payable ST - Bus 2018	-	-	83,002	-	-	-	83,002			
Total Long-term Portion	531,902	5,390,486	1,156,601	-	-	-	7,078,989			
Total Long-Term Liabilities	909,245	5,852,758	1,624,664	-	-	-	8,386,667			
Total Liabilities	1,010,177	6,045,391	1,764,591	40,742	660	360	8,861,921			
Net Assets	1,492,595	3,512,735	1,603,606	135,753	(160)	140	6,744,670			
TOTAL LIABILITIES AND NET ASSETS	\$ 2,502,772	\$ 9,558,126	\$ 3,368,197	\$ 176,496	\$ 500	\$ 500	\$ 15,606,590			

	Elementary	Middle	High	MSA	HH ES	HH MS	Total
Income							
Rent Income	\$ 8,550	\$ 221,542	\$ -	\$ -	\$ -	\$ -	\$ 230,092
State Education Funds	102,400	144,000	175,200	31,200	-	-	452,800
Fed Funds Received Thru State	2,432,454	3,081,618	3,135,078	808,294	-	-	9,457,445
Title I	113,566	190,329	106,654	30,900	-	-	441,449
Contributions & Gifts	-	59,861	47,088	250	-	-	107,199
CSP	-	-	-	42,533	-	-	42,533
Student Body Activities	1,421	92,422	3,241	1,006	-	-	98,090
Pre-K	136,728	-	-	-	-	-	136,728
Total Income	2,795,119	3,789,771	3,467,262	914,183	-	-	10,966,335
Expenses							
Regular Instructional Program							
RIP - Teachers	874,390	1,087,767	1,202,334	304,072	-	-	3,468,563
RIP - Educational Assts	306,583	191,777	205,107	133,252	47,278	24,804	908,801
RIP - State Retirement	97,713	109,321	123,030	38,351	3,298	1,733	373,446
RIP - Life Insurance	2,697	2,184	1,938	2,282	-	-	9,100
RIP - Health Insurance	157,330	87,325	111,120	66,043	-	-	421,816
RIP - Unemployment Comp	3,472	4,114	5,978	2,418	269	-	16,251
RIP - Employer Withholdings	85,806	101,804	102,160	31,907	3,606	1,893	327,177
RIP - Other Contract Serv	42,943	198,668	47,255	29,328	-	-	318,195
RIP - Other Supplies/Materials	692	4,113	-	-	-	-	4,804
RIP - Instr. Supplies/ Materials	37,135	16,242	91,446	15,129	-	-	159,952
RIP - Textbooks	12,681	2,732	16,310	15,000	-	-	46,723
RIP - Other Charges	-	4,734	1,742	-	-	-	6,476
RIP - Instructional Equipment	4,982	18,151	17,464	36,222	-	-	76,819
Total	1,626,424	1,828,931	1,925,883	674,004	54,451	28,430	6,138,122
Special Education Program							
SEP - Teachers	40,412	35,528	42,567	-	-	-	118,507
SEP - Educational Assistants	54,232	-	28,753	-	-	-	82,984
SEP - Employer Withholdings	6,734	2,591	5,328	-	-	-	14,653
SEP - State Retirement	5,584	3,216	5,850	-	-	-	14,650
SEP - Life Insurance	98	64	202	-	-	-	364
SEP - Medical Insurance	13,954	3,502	5,086	-	-	-	22,542
SEP - Unemployment Compensation	201	91	254	-	-	-	546
SEP - Contracts W/Private Agencies	2,391	-	1,098	2,912	-	-	6,400
Total	123,606	44,993	89,138	2,912	-	-	260,648
Student Body Education Program							
SBEP - Other Contracted Services	-	3,905	8,970	-	-	-	12,875
SBEP - Other Charges	3,416	102,985	24,209	1,051	-	-	131,661
Total	3,416	106,890	33,179	1,051	-	-	144,536

	<u>Elementary</u>	<u>Middle</u>	<u>High</u>	<u>MSA</u>	<u>HH ES</u>	<u>HH MS</u>	<u>Total</u>
Health Services							
HS - Other Contracted Services	-	2,447	1,008	-	-	-	3,455
Total	-	2,447	1,008	-	-	-	3,455
Board of Education							
BOE - Audit Services	6,000	6,667	6,667	5,728	-	-	25,061
BOE - Legal & Professional Fees	-	6,082	-	-	-	-	6,082
BOE - Liability Insurance	2,013	5,002	7,082	-	-	-	14,097
BOE - Worker's Comp	-	32,359	45,900	13,014	-	-	91,273
BOE - Criminal Inv App	-	1,894	-	-	-	-	1,894
Total	8,013	52,004	59,648	18,741	-	-	138,406
Office of the Principal							
OP - Principal	68,862	75,750	-	65,545	-	-	210,157
OP - Assistant Principal	-	51,433	51,138	-	-	-	102,571
OP - Secretary	26,149	59,012	37,002	27,217	-	22,717	172,095
OP - Bookkeeping/Accountants	60,325	26,262	32,998	-	-	-	119,586
OP - Other Salaries & Wages	-	254,228	352,159	-	-	-	606,388
OP - State Retirement	14,087	40,059	24,072	5,893	-	-	84,110
OP - Life Insurance	453	966	1,014	203	-	-	2,636
OP - Health Insurance	9,492	34,787	20,953	6,727	-	-	71,959
OP - Unempl. Comp.	273	1,059	1,056	310	-	-	2,699
OP - Employer Withholdings	11,307	28,014	35,219	6,956	-	1,721	83,218
OP - Communication	2,298	13,572	11,111	2,289	-	-	29,271
OP - Advertising	-	-	3,662	-	9,402	-	13,063
OP - Postal Charges	-	954	-	-	-	-	954
OP - Travel	1,232	27,559	3,553	1,853	-	-	34,197
OP - Other Contracted Services	17,962	56,661	130,268	-	-	-	204,891
OP - Office Supplies	2,543	11,779	5,821	6,140	-	-	26,282
OP - Other Supplies/ Materials	-	525	-	256	-	-	781
OP - Staff Development	4,750	1,840	3,847	3,545	-	-	13,982
OP - Other Charges	8,190	42,344	59,738	5,570	1,040	1,441	118,323
OP - Bank Charges	-	949	452	-	-	-	1,401
OP - Dues & Subscriptions	-	-	8,222	-	-	-	8,222
OP - Rent or Lease of Buildings	-	-	-	112,000	-	-	112,000
OP - Taxes & Licenses	945	27,677	4,820	-	-	-	33,442
OP - Administration Equipment	-	-	1,108	-	-	-	1,108
Total	228,868	755,431	788,213	244,503	10,442	25,878	2,053,336
Fiscal Services							
FS - Other Contract Ser	-	-	5,500	6,500	-	-	12,000
Total	-	-	5,500	6,500	-	-	12,000

	Elementary	Middle	High	MSA	HH ES	HH MS	Total
Operation of Plant							
OOP - Supervisor/Director	-	44,691	-	-	-	-	44,691
OOP - Guards	-	25,408	30,737	-	-	-	56,145
OOP - Custodial Personnel	55,554	28,854	38,291	19,344	-	-	142,043
OOP - State Retirement	2,852	4,808	5,974	1,131	-	-	14,765
OOP - Life Insurance	60	334	75	143	-	-	612
OOP - Medical Insurance	2,075	17,129	4,286	2,093	-	-	25,584
OOP - Unempl Comp	371	529	163	102	-	-	1,165
OOP - Employer Withholdings	4,185	7,014	4,864	1,347	-	-	17,410
OOP - Other Contract Ser	13,226	13,863	14,052	12,516	-	-	53,656
OOP - Custodial Supplies	13,321	1,783	19,378	6,990	-	-	41,471
OOP - Electricity	56,030	59,436	71,513	681	-	-	187,660
OOP - Other Charges	432	1,678	-	-	-	-	2,110
Total	148,105	205,527	189,332	44,347	-	-	587,312
Maintenance of Plant							
MOP - Supervisor/Director	-	-	37,251	-	-	-	37,251
MOP - Employer Withholding	-	-	2,850	-	-	-	2,850
MOP - State Retirement	-	-	2,562	-	-	-	2,562
MOP - Unempl Comp	-	-	91	-	-	-	91
MOP - Maintenance & Repair							
Services - Building	41,068	46,441	31,254	946	-	-	119,708
MOP - Other Contracted Services	11,625	14,721	34,079	3,179	-	-	63,603
MOP - Other Supplies/Materials	-	-	283	-	-	-	283
Total	52,693	61,161	108,369	4,124	-	-	226,347
Transportation							
TRANS - Bus Drivers	-	-	26,989	-	-	-	26,989
TRANS - Employer Withholdings	-	-	2,313	-	-	-	2,313
TRANS - State Retirement	-	-	1,986	-	-	-	1,986
TRANS - Unemployment Insurance	-	-	182	-	-	-	182
TRANS - Life Insurance	-	-	194	-	-	-	194
TRANS - Public Carriers	123,005	8,730	7,297	7,236	-	-	146,268
TRANS - Maintenance & Repair	-	706	1,495	-	-	-	2,201
TRANS - Gasoline	4,800	4,800	9,147	4,800	-	-	23,547
Total	127,805	14,236	49,603	12,036	-	-	203,681

	Elementary	Middle	High	MSA	HH ES	HH MS	Total
Non-Instructional Serv							
NIS - Parent Liaison	-	37,435	32,998	-	-	-	70,433
NIS - State Retirement	-	2,605	2,295	-	-	-	4,900
NIS - Health Insurance	-	3,859	-	-	-	-	3,859
NIS - Unemployment	-	91	-	-	-	-	91
NIS - Employer Withholding	-	2,736	266	-	-	-	3,002
Total	-	46,726	35,559	-	-	-	82,285
Total Expenses	2,318,929	3,118,346	3,285,432	1,008,218	64,893	54,308	9,850,127
Net Operating Income (Loss)	476,190	671,425	181,830	(94,035)	(64,893)	(54,308)	1,116,208
Other (Income) Expenses							
Interest Earned	-	(3)	-	-	-	-	(3)
Interest Expense	18,881	182,875	43,836	-	-	-	245,592
Depreciation - Textbooks	11,381	5,942	12,734	1,145	-	-	31,200
Depreciation	55,918	164,858	96,125	3,010	-	-	319,912
Total Other Expenses	86,180	353,672	152,695	4,154	-	-	596,701
Operating Income (Loss)	390,010	317,753	29,135	(98,189)	(64,893)	(54,308)	519,507
Net assets - beginning of fiscal year	895,598	4,180,174	1,258,438	(109,047)	-	-	6,225,163
Funds transferred internally	206,987	(985,192)	316,034	342,990	64,733	54,448	-
Net assets - ending of fiscal year	\$ 1,492,595	\$ 3,512,735	\$ 1,603,606	\$ 135,753	\$ (160)	\$ 140	\$ 6,744,670
Capital Outlay							
Textbooks	\$ 8,151	\$ -	\$ 9,509	\$ 9,810	\$ -	\$ -	27,470
Furniture and Fixtures	10,734	-	6,720	-	-	-	17,454
Administration Equipment	-	-	5,666	-	-	-	5,666
Vehicles	-	-	92,871	-	-	-	92,871
Land	-	882,114	-	-	-	-	882,114
Building	-	2,715,806	-	-	-	-	2,715,806
Building/Leasehold Improvements	82,090	30,959	16,631	-	-	-	129,680
Lockers	-	-	-	-	-	-	-
Total Capital Outlay	\$ 100,975	\$ 3,628,879	\$ 131,397	\$ 9,810	\$ -	\$ -	\$ 3,871,061
Principal on Notes	\$ 23,264	\$ 147,605	\$ 134,875	\$ -	\$ -	\$ -	\$ 305,744

Debt Analysis

Line of Credit

The line of credit has a \$375,000 agreement with Regions Bank. The interest rate is 4.5%. The line matures March 14, 2019. As of March 31, 2018, the balance is \$0.00.

Long-term debt

The following is a summary of notes payable at March 31, 2018:

Description	Original Amount	Interest Rate	Monthly Principal and Interest Payments		Maturity	Collateral	Balance
			Principal	Interest			
Overton	\$ 1,752,690	5.74%	\$ 16,225		2/14/2018	Building	\$ 1,048,357
Gym	2,300,000	4.35%	14,365		10/11/2019	Building	2,037,049
Berclair	612,132	4.50%	4,683		10/13/2020	Building	540,157
Ford Explorer	38,670	5.48%	738		12/21/2021	Vehicle	30,569
Bus	112,549	3.50%	1,660		7/13/2022	Bus	75,378
Bus 2	92,871	6.60%	1,384		7/18/2024	Bus	84,875
Harmony Plaza	3,500,000	4.85%	27,955		8/4/2019	Plaza	3,418,617
			\$ 67,009				\$ 7,235,003

The following is a summary of principal maturities of long-term debt during the next seven years:

For the fiscal year ended June 30,	Overton	Gym	Berclair	Explorer	Bus	Bus 2	Harmony Plaza	Total
2017	\$ 46,322	\$ 21,898	\$ 8,255	\$ 1,804	\$ 3,814	\$ 1,873	\$ 72,048	\$ 156,014
2018	1,002,035	86,530	31,519	7,469	15,869	11,468	169,392	1,324,282
2019	-	1,928,621	32,967	7,889	16,897	12,248	3,177,178	5,175,799
2020	-	-	34,481	8,332	17,991	13,081	-	73,885
2021	-	-	432,935	5,075	19,155	13,971	-	471,137
2022	-	-	-	-	1,651	14,922	-	16,573
2023	-	-	-	-	-	15,937	-	15,937
2024	-	-	-	-	-	1,376	-	1,376
	\$ 1,048,357	\$ 2,037,049	\$ 540,157	\$ 30,569	\$ 75,378	\$ 84,875	\$ 3,418,617	\$ 7,235,003

ANNUAL FINANCIAL REPORT TENNESSEE PUBLIC CHARTER SCHOOLS OPERATED BY MEMPHIS BUSINESS ACADEMY CHARTER SCHOOLS June 30, 2017

MEMPHIS BUSINESS ACADEMY SCHOOLS
TABLE OF CONTENTS

Introductory Section	
Board of Trustees and Administrative Staff Report	1
Financial Section	
Independent Auditors' Report	3-4
Management's Discussion and Analysis	
.....	5-11
Basic Financial Statements	
Government-wide Financial Statements:	
Combined Statement of Net Position.....	13
Combined Statement of Activities.....	14
Fund Financial Statements:	
Combining Balance Sheet – Governmental Fund	15
Combining Reconciliation of the Balance Sheet – Governmental Fund to Statement of Net Position	16
Combining Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Fund	17
Combining Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Fund to Statement of Activities	18
Notes to the Financial Statements	19-37
Required Supplementary Information	
Schedule of Proportionate Share of Net Pension Liability – Teacher Retirement Plan	39
Schedule of Contributions to the Teacher Retirement Plan	40
Schedule of Proportionate Share of Net Pension Liability – Teacher Legacy Pension Plan	41
Schedule of Contributions to the Teacher Legacy Pension Plan.....	42
Schedule of Proportionate Share of Net Pension Liability – Public Employee Pension Plan	43
Schedule of Contributions to the Public Employee Pension Plan.....	44
Supplementary Other and Information	
Schedule of Revenues and Expenditures – Budget and Actual – General Fund	46
Combining Statement of Net Position.....	47
Statement of Activities – High School.....	48
Statement of Activities – Middle School.....	49
Statement of Activities – Elementary School.....	50
Statement of Activities – STEM Academy	51
Schedule of Expenditures of Federal Awards.....	52
Schedule of State Financial Assistance.....	53
Internal Control and Compliance	
Independent Auditors' Report on Compliance and On Internal Control over Financial Reporting Based On an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	55-56
Schedule of Findings – Prior Year.....	57

**MEMPHIS BUSINESS ACADEMY SCHOOLS
MEMPHIS STEM ACADEMY**

June 30, 2017

BOARD OF TRUSTEES

Tony Reeder, Chairman
Zach Beasley, Secretary
Shawn Thomas, Board Member
Barbara Bennet, Board Member
Diana Anderson, Board Member
Shawn Massey, Board Member

ADMINISTRATIVE STAFF

Rev. Anthony Anderson, Chief Executive Officer
Dr. Menthia Bradley, Chief Operating Officer
Sylvia Gray, Chief Financial Officer
Tonnise Norment, Executive Assistant



Alexander Thompson Arnold PLLC

5860 Ridgeway Center Pkwy Suite 250, Memphis, TN 38120

(615) 901.684.1170 (615) 901.684.1208

www.atacpa.net

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Memphis Business Academy Schools
Memphis, Tennessee

Report on the Financial Statements

We have audited the accompanying combined financial statements of the governmental activities and the major fund of Memphis Business Academy Elementary School, Memphis Business Academy Middle School, Memphis Business Academy High School, and Memphis STEM Academy (the "Schools") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Schools' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the fund of the Schools, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension related schedules and notes as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements,

Your Long-Term Accounting Partner

is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming financial statements that collectively comprise the Schools basic financial statements as a whole. The introductory section and the supplementary and other information, (which includes the schedule of revenues and expenditures – budget and actual – general fund, schedule of expenditures of federal and state financial assistance, combining statements of net position and statements of activities by school), is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary and other information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary and other information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2017, on our consideration of Memphis Business Academy Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of the effectiveness on the Schools' internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Schools' internal control over financial reporting and compliance.

Alexander Thompson Arnold PLLC

December 18, 2017

**MEMPHIS BUSINESS ACADEMY SCHOOLS
MANAGEMENT DISCUSSION AND ANALYSIS**
June 30, 2017

The following Management's Discussion and Analysis (MD&A) of Memphis Business Academy High School, Memphis Business Academy Middle School, Memphis Business Academy Elementary School's and Memphis STEM Academy (the "Schools") activities and financial performance provides the reader with an introduction and overview to the financial statements of the School for the period ended June 30, 2017. This information should be considered within the context of the accompanying financial statements and note disclosures.

School Activities

The mission of the Schools is to ensure high academic achievement of students from the Frayser/Raleigh area and to help them to develop the knowledge, skills, and dispositions that will enable them to be successful in school and beyond. The Academy is dedicated to the high quality teaching of mathematics, science, social studies, and language arts with a focus on business, entrepreneurship, and financial responsibility. Through the implementation of innovative and effective instructional models, the school will meet state and national standards while developing independent and critical thinkers who possess the communication skills and quantitative literacy necessary to be successful in a high tech, global society.

The Schools offers grades K through 12. Classes are from 7:30 until 3:30, which is an additional hour of instruction. Memphis Business Academy High School graduated its first senior class in 2012. Many of the students, or "Executives," come to us from MBA Middle, through a "pipeline." Therefore, we are able to keep track of their growth, data, and academic needs to place them in the appropriate high school courses.

The Memphis STEM Academy started its operation for the 2016-2017 school year. Its mission is to promote academic excellence and future student success through a focus on Science, Technology, Engineering, and Mathematics and ongoing engagement in problem solving, critical thinking, teamwork, and communication in the Frayser community.

The Shelby County School board approved the charter school administration's recommendation to authorize the opening of Memphis Business Academy Elementary and Middle Schools in the Hickory Hill neighborhood. The additional schools will expand the charter network's footprint across Memphis from four schools to six.

All schools students have the traditional course schedule, with extracurricular courses in Spanish, Physical Education, and Personal Finance. Middle school students earn credits for Personal Finance and Algebra I. MBA High offers a full curriculum, with an additional science requirement to increase ACT scores and STEM participation. As a "college prep" school we offer Advanced Placement Courses in Spanish Language, Studio Art-Drawing, Calculus AB, Biology, Human Geography, US History, and United States Government. Executives are enrolled in 6 courses per day with the exception of those who are preparing for End Of Course exams English II. Those students take 5 classes per day, with two hours of English instruction. Additionally, students in AP Biology have a 2 hour course so that they have an extra hour for the lab requirements.

The Memphis Business Academy New and Experimental Technologies program or MBA NEXT program has been implemented for the school year 2016-17. It is a comprehensive STEM program designed to utilize project based learning to prepare our students for next generation careers. MBA Next students will get hands on experience in computer programming and engineering design, as well as being able to utilize modern tools and equipment to discover their own creativity and ability.

Students at MBA are "Executives" and they are involved in a number of extracurricular activities during and after school. These activities include Academic Tutoring, The Standard Leadership Group, Robotics, Executive Sounds Choir, Drumline, Majorettes, Cheerleaders, Soccer, Volleyball and Basketball. Students who are interested in Football play for Trezevant High School, which is three blocks away, through a MIAA/TSSAA partnership. We are a member of the National Honor Society and this is the third year for our distinguished Robotics program.

ROW, Reading on Wednesdays, is a new initiative that was begun as a means to increase targeted focused and silent reading for the Executives. Every Wednesday, students are on a shortened schedule, and from 2:00-3:20,

the school is silent while everyone is engaged in reading – students, teachers, administrators, and the custodial staff. Teachers rotate ROW coverage. While one group is in ROW, the other group is involved in Professional Development meetings that take place during the school day.

The teachers and administrators of Memphis Business Academy Schools have embraced a data-driven culture. The teachers' instructional practices are informed by students' academic and social data, and the administrators' organizational decisions are informed by school-wide data. Students are provided a rigorous, structured learning environment that is conducive to their academic growth and development.

The Schools continue to be considered as Title I schools which receive funds annually to support academic success. Title I is a part of the Elementary Secondary Education Act (ESEA). The funding provides financial assistance in purchasing necessary instructional materials needed to enhance the education of children from the low-income families the Schools serve. These funds will be used to purchase science lab equipment for students, additional instructional materials, and professional development activities/events for parents, students, and staff, and to purchase resources necessary to increase parental involvement.

We will continue to recruit great families and students, encouraging them to make the Schools their first choice!

Student Enrollment Factors and Next Year's Budget

Enrollment: FY 2018 enrollment is projected to be 1650, which includes Pre K-12.

Revenues: State and Federal revenues are budgeted at approximately \$13,563,500.

Expenses: Student and staff related expenses are expected to increase with the additional enrollment and general and administrative expenses, while increasing, are expected to decline as a percentage of total expenses. Total expenses are budgeted at \$13,563,500, producing a balanced budget for fiscal year 2018.

Memphis Business Academy has, through rigorous instructional opportunities and advanced teacher preparation methodologies, become a premier educational environment in the Frayser community. Over the past two years enrollment for the entire network has increased over 20%. The 2016-17 year ended with approximately 378 students while the current year's enrollment is at a resounding 444. Similar attendance accomplishments occurred with Memphis Business Academy High; an additional 45 students have enrolled from 2016-17 to 2017-18. As the elementary school has increased grade levels each year from its opening in 2011-12, enrollment has significantly increased in that school as well. The current enrollment is 404, including Pre-K. The start-up year for the Memphis STEM Academy ended with approximately 73 students while the current year's enrollment is 119.

Contacting the Schools Financial Management

This financial report is designed to provide our student's parents, Shelby County taxpayers, donors, creditors, authorities over grant funding and agencies tasked with oversight of Shelby County public schools with a general overview of the Schools' finances and to demonstrate the Schools' accountability of the money it receives. If you have questions about this report or need additional financial information, contact the Schools' Chief Financial Officer, Sylvia Gray at 2450 Frayser Blvd, Memphis, TN 38127, by telephone at (901) 358-8569 or by email: sylvia.gray@mbaexecutives.org.

Overview of the Financial Statements

Financial Highlights

This financial report consists of a series of financial statements, notes to those statements, and required supplementary information. The statements are organized so that the reader can understand the School as a whole and then proceed to a detailed look at specific financial activities of the School.

Reporting the Schools as a Whole

The Statement of Net Position and Statement of Activities:

In general, users of these financial statements want to know if the Schools are better off or worse off as a result of the year's activities. The Statement of Net Position and Statement of Activities report information about the Schools' as a whole and about the Schools' activities in a manner that helps to answer that question. These statements include all assets and liabilities using the accrual basis of accounting. Under the accrual basis, all of the current year's revenue and expenses are taken into consideration regardless of when cash is received or paid.

The Statement of Net Position reports the Schools' net position (total assets and deferred outflows less total liabilities and deferred inflows). Private sector entities would report retained earnings. The Schools' net position balance at year end represents available resources for future growth. The Statement of Activities reports the change in net position as a result of activity during the year. Private sector entities have a similar report titled the statement of operations, which reports net income. It provides the user a tool to assist in determining the direction of the Schools' financial health during the year. Users will want to consider non-financial factors as well as the financial data in arriving at a conclusion regarding the overall health of the Schools.

Reporting the Schools Fund

Fund Financial Statements:

The Schools' governmental fund financial statements, the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances, provided detailed information about the Schools' most significant fund, not the Schools as a whole. The fund is established by the Schools to help manage money for particular purposes and compliance with various grant provisions.

The Schools' funds are categorized as "governmental funds." Governmental funds focus on how money flows into and out of the funds and the balances left at the end of the period that are available for spending in future period. Fund financial statements are reported using an accounting method called "modified accrual" accounting, which measures cash and other financial assets that can readily be converted to cash. The basis of accounting is different from the accrual basis used in the schools-wide financial statements to report of the Schools as a whole. The relationship between governmental activities, as reported in the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances is reconciled following the basic financial statements.

Condensed Financial Information

The Schools' condensed statement of net position for the fiscal year ended June 30, 2017 reflects the net position of \$6,225,165. Changes in net position measure whether the School's financial position is improving or deteriorating. For the fiscal year ended June 30, 2017 the Schools' net position increased \$1,464,112.

Condensed Statements of Net Positions

Governmental Activities
As of June 30, 2017

	High	Middle	Elementary	STEM	Total
Assets:					
Current and other assets	\$ 915,170	\$ 913,820	\$ 297,287	\$ 70,169	\$ 2,196,446
Capital assets	1,828,516	4,553,129	1,187,084	9,364	7,578,093
Total assets	<u>\$ 2,743,686</u>	<u>\$ 5,466,949</u>	<u>\$ 1,484,371</u>	<u>\$ 79,533</u>	<u>\$ 9,774,539</u>
Deferred outflows of resources					
Related to pension	\$ 861,192	\$ 718,647	\$ 684,034	\$ 41,640	\$ 2,305,513
Liabilities					
Current and other liabilities	\$ 197,854	\$ 206,952	\$ 202,153	\$ 14,814	\$ 621,773
Notes payable	1,236,408	2,133,840	563,421	-	3,933,669
Total liabilities	<u>1,434,262</u>	<u>2,340,792</u>	<u>765,574</u>	<u>14,814</u>	<u>4,555,442</u>
Deferred Inflows of resources					
Related to pension	\$ 468,063	\$ 454,039	\$ 377,343	\$ -	\$ 1,299,445
Net position					
Net investment in capital assets	592,108	2,419,289	623,663	9,364	3,644,424
Restricted - net pension asset	145,353	157,641	72,609	-	375,603
Unrestricted	965,092	813,835	329,216	96,995	2,205,138
Total net position	<u>\$ 1,702,553</u>	<u>\$ 3,390,765</u>	<u>\$ 1,025,488</u>	<u>\$ 106,359</u>	<u>\$ 6,225,165</u>

Governmental Activities
As of June 30, 2016

	High	Middle	Elementary	STEM	Total
Assets:					
Current and other assets	\$ 471,363	\$ 670,420	\$ 465,306	\$ -	\$ 1,607,089
Capital assets	257,025	7,086,276	211,937	-	7,555,238
Total assets	<u>\$ 728,388</u>	<u>\$ 7,756,696</u>	<u>\$ 677,243</u>	<u>\$ -</u>	<u>\$ 9,162,327</u>
Deferred outflows of resources					
Related to pension	\$ 788,421	\$ 572,995	\$ 480,164	\$ -	\$ 1,841,580
Liabilities					
Current and other liabilities	\$ 48,311	\$ 43,142	\$ 33,935	\$ -	\$ 125,388
Line of credit	-	155,487	-	-	155,487
Notes payable	100,467	4,157,332	-	-	4,257,799
Total liabilities	<u>\$ 148,778</u>	<u>\$ 4,355,961</u>	<u>\$ 33,935</u>	<u>\$ -</u>	<u>\$ 4,538,674</u>
Deferred Inflows of resources					
Related to pension	<u>\$ 724,670</u>	<u>\$ 575,755</u>	<u>\$ 403,755</u>	<u>\$ -</u>	<u>\$ 1,704,180</u>
Net position					
Net investment in capital assets	156,558	2,773,457	211,937	-	3,141,952
Restricted - net pension asset	164,155	188,216	75,698		428,069
Unrestricted	322,648	436,302	432,082	-	1,191,032
Total net position	<u>\$ 643,361</u>	<u>\$ 3,397,975</u>	<u>\$ 719,717</u>	<u>\$ -</u>	<u>\$ 4,761,053</u>

The positive net position of \$6,225,165 is an indication of the strength of the Schools and allows the schools to proceed with its planned growth over the next few years.

The Schools' primary source of revenue is funding through the Shelby County Schools (SCS) Board of Education and is mainly attributable to the per-pupil allocation, which increased due to the Schools adding additional pupils during the current year. As the Schools grow and increase its enrollment from 1,430 to 1,850 students over the next two years, (SCS) per-pupil revenues will represent a larger share of revenues.

**MEMPHIS BUSINESS ACADEMY SCHOOLS
MANAGEMENT DISCUSSION AND ANALYSIS**
June 30, 2017

**Government Wide Financial Analysis
Memphis Business Academy Schools' Changes in Net Positions**

**Governmental Activities
As of June 30, 2017**

	High	Middle	Elementary	STEM	Total
REVENUES					
Shelby County Schools - BOA	\$ 3,762,421	\$ 3,379,257	\$ 3,053,583	\$ 646,937	\$ 10,842,198
Title I funds	187,879	244,278	178,975	39,532	650,664
Operating grants and contributions	134,797	383,600	128,830	122,569	769,796
Other revenue- Student Services	2,797	154,863	8,038	-	165,698
Total revenues	4,087,894	4,161,998	3,369,426	809,038	12,428,356
EXPENDITURES					
Salaries, wages and benefits	\$ 2,590,773	\$ 2,147,554	\$ 2,405,486	\$ 655,568	\$ 7,799,383
Occupancy costs	177,635	144,870	195,339	183,810	701,654
Student services	22,123	159,563	9,241	1,851	192,778
Office expense	42,945	76,527	10,148	4,302	133,922
Depreciation	146,542	178,792	83,465	2,676	411,475
Professional and service fees	8,092	20,173	8,083	7,000	43,348
Insurance	72,118	24,480	2,588	-	99,186
Transportation	32,853	37,041	218,504	11,137	299,535
Staff development	11,581	15,126	9,301	400	36,408
Supplies	196,323	194,008	95,796	36,345	522,472
Other expenses	119,120	273,336	129,144	14,995	536,595
Interest	52,711	108,330	26,448	-	187,489
Total expenses	3,472,816	3,379,800	3,193,543	918,084	10,964,245
Change in net position	\$ 615,078	\$ 782,198	\$ 175,883	\$ (109,046)	\$ 1,464,112

MEMPHIS BUSINESS ACADEMY SCHOOLS
MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2017

Governmental Activities
As of June 30, 2016

	High	Middle	Elementary	STEM	Total
REVENUES					
Shelby County Schools - BOA	\$ 3,175,989	\$ 2,654,611	\$ 2,790,822	\$ -	\$ 8,621,422
Title I funds	112,174	89,790	90,168	-	292,132
Operating grants and contributions	5,000	457,893	-	-	462,893
Other revenue	409	13,730	600	-	14,739
Total revenues	3,293,572	3,216,024	2,881,590	-	9,391,186
EXPENDITURES					
Salaries, wages and benefits	\$ 2,440,643	\$ 1,958,451	\$ 1,829,393	\$ -	\$ 6,228,487
Occupancy costs	146,184	34,650	343,545	-	524,379
Student services	47,141	19,643	8,909	-	75,693
Office expense	13,570	54,190	11,531	-	79,291
Depreciation	129,614	237,031	40,891	-	407,536
Professional and service fees	19,801	21,207	16,000	-	57,008
Insurance	109,215	11,653	-	-	120,868
Transportation	125,769	52,849	70,710	-	249,328
Staff development	21,965	9,772	11,663	-	43,400
Supplies	46,050	31,798	43,426	-	121,274
Other expenses	225,542	131,106	39,321	-	395,969
Interest	6,175	189,002	-	-	195,177
Total expenses	3,331,669	2,751,352	2,415,389	-	8,498,410
Change in net position	\$ (38,097)	\$ 464,672	\$ 466,201	\$ -	\$ 892,776

Capital Assets and Debt Administration

Capital Assets:

Memphis Business Academy Schools' investment in capital assets, net of accumulated depreciation, for its governmental activities as of June 30, 2017 totaled \$7,578,093. The major capital asset transactions during the year ended June 30, 2017 consisted of purchase of purchase of the Berclair properties, textbooks, leasehold improvements, and a school bus.

Debt Administration

Memphis Business Academy Schools financed \$38,670 for the purchase of a school vehicle in the fiscal year ending June 30, 2017. The total long term debt for Memphis Business Academy Schools as of June 30, 2017 is \$3,933,669.

**MEMPHIS BUSINESS ACADEMY SCHOOLS
COMBINED STATEMENT OF NET POSITION**

As of 6/30/2017

ASSETS

Cash and cash equivalents	\$ 1,600,504
Net pension asset	375,603
Title 1 receivable	220,339
Capital assets:	
Construction in progress	108,700
Land	601,905
Depreciable assets, net of accumulated depreciation	<u>6,867,488</u>
Total assets	<u>\$ 9,774,539</u>

DEFERRED OUTFLOW OF RESOURCES

Related to pensions	<u>\$ 2,305,513</u>
---------------------	---------------------

LIABILITIES

Accounts payable and accrued liabilities	\$ 208,545
Net pension liability	413,228
Notes payable	
Due within one year	284,253
Due in more than one year	<u>3,649,416</u>
Total liabilities	<u>\$ 4,555,442</u>

DEFERRED INFLOWS OF RESOURCES

Related to pensions	<u>\$ 1,299,445</u>
Net position	
Net investment in capital assets	3,644,424
Restricted- net pension asset	375,603
Unrestricted	<u>2,205,138</u>
Total net position	<u>\$ 6,225,165</u>

MEMPHIS BUSINESS ACADEMY SCHOOLS
COMBINED STATEMENT OF ACTIVITIES
For the year ended 6/30/2017

Governmental Activities:	Total	Functions		
		Instructional and Student Services	General and Administration	Debt Services
Program Expenses:				
Salaries, wages and benefits	\$ 7,799,383	\$ 6,275,577	\$ 1,523,806	\$ -
Occupancy costs	701,654	25,736	675,918	-
Student services	192,778	192,778	-	-
Office expense	133,922	-	133,922	-
Depreciation	411,475	63,968	347,507	-
Professional and service fees	43,348	43,348	-	-
Insurance	99,186	99,186	-	-
Transportation	299,535	299,535	-	-
Staff development	36,408	36,408	-	-
Supplies	522,472	358,259	164,213	-
Other expenses	536,595	208,149	328,446	-
Interest	187,489	-	-	187,489
Total expenses	<u>10,964,245</u>	<u>7,602,944</u>	<u>3,173,812</u>	<u>187,489</u>
Program Revenues:				
Title I	650,664	650,664	-	-
Operating grants and contributions	769,796	769,796	-	-
Total program revenues	<u>1,420,460</u>	<u>1,420,460</u>	<u>-</u>	<u>-</u>
Net program expenses	<u>\$ 9,543,785</u>	<u>\$ 6,182,484</u>	<u>\$ 3,173,812</u>	<u>\$ 187,489</u>
General Revenues:				
District funding	10,842,198			
Other income	165,698			
Total general revenues	<u>11,007,896</u>			
Change in net position	1,464,112			
Net position - beginning of fiscal year	<u>4,761,053</u>			
Net position - ending of fiscal year	<u>\$ 6,225,165</u>			

MEMPHIS BUSINESS ACADEMY SCHOOLS
COMBINING BALANCE SHEET - GOVERNMENTAL FUND
For the period ended 6/30/2017

	Governmental Fund				
	<u>High</u>	<u>Middle</u>	<u>Elementary</u>	<u>STEM</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 695,599	\$ 669,076	\$ 180,688	\$ 55,141	\$ 1,600,504
Title I receivable	<u>74,218</u>	<u>87,103</u>	<u>43,990</u>	<u>15,028</u>	<u>220,339</u>
Total assets	<u>\$ 769,817</u>	<u>\$ 756,179</u>	<u>\$ 224,678</u>	<u>\$ 70,169</u>	<u>\$ 1,820,843</u>
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable and accrued expenses	\$ 48,406	\$ 80,926	\$ 64,399	\$ 14,815	\$ 208,545
Total liabilities	<u>48,406</u>	<u>80,926</u>	<u>64,399</u>	<u>14,815</u>	<u>208,545</u>
Fund balances					
Unassigned	721,411	675,253	160,279	55,354	1,612,297
Total fund balance	<u>721,411</u>	<u>675,253</u>	<u>160,279</u>	<u>55,354</u>	<u>1,612,297</u>
Total liabilities and fund balance	<u>\$ 769,817</u>	<u>\$ 756,179</u>	<u>\$ 224,678</u>	<u>\$ 70,169</u>	<u>\$ 1,820,843</u>

MEMPHIS BUSINESS ACADEMY SCHOOLS
COMBINING RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION

June 30, 2017

	<u>High</u>	<u>Middle</u>	<u>Elementary</u>	<u>STEM</u>	<u>Total</u>
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:					
Fund balance - governmental funds	<u>\$ 721,411</u>	<u>\$ 675,253</u>	<u>\$ 160,279</u>	<u>\$ 55,354</u>	<u>\$ 1,612,297</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					
Capital assets, not being depreciated	241,888	439,684	29,033	-	710,605
Capital assets, being depreciated - at cost	2,569,011	5,254,111	1,377,405	12,040	9,212,567
Accumulated depreciation	(982,383)	(1,140,666)	(219,354)	(2,676)	(2,345,079)
Debt related to the capital assets are not payable in the current period and therefore, is not reported in the funds	(1,236,408)	(2,133,840)	(563,421)	-	(3,933,669)
Net pension assets/liabilities and deferred inflows/outflows are not payable in the current period and, therefore, are not reported in the funds	389,034	296,223	241,546	41,640	968,444
	<u>981,142</u>	<u>2,715,512</u>	<u>865,209</u>	<u>51,004</u>	<u>4,612,868</u>
Total net position - governmental activities	<u>\$ 1,702,553</u>	<u>\$ 3,390,765</u>	<u>\$ 1,025,488</u>	<u>\$ 106,359</u>	<u>\$ 6,225,165</u>

	Governmental Fund				
	High	Middle	Elementary	STEM	Total
REVENUES					
Shelby County Schools - Board of Education	\$ 3,762,421	\$ 3,379,257	\$ 3,053,583	\$ 646,937	\$ 10,842,198
Title I funds	187,879	244,278	178,975	39,532	650,684
Operating grants and contributions	134,797	383,600	128,830	122,569	789,796
Other revenue	2,797	275,214	8,038	-	286,049
Total revenues	4,087,894	4,282,349	3,369,426	809,038	12,548,707
EXPENDITURES					
Current:					
Salaries, wages and benefits					
Instructional and student services	2,117,504	1,758,167	2,251,337	551,542	6,878,550
General and administration	634,397	500,154	243,588	145,667	1,523,806
Instructional and student services	320,596	359,203	339,481	51,361	1,070,621
Student services	22,123	159,563	9,241	1,851	192,778
General and administration	340,071	426,359	329,442	206,628	1,302,500
Capital Outlay:	74,477	201,411	266,748	12,040	554,676
Debt Service:					
Principal	161,904	326,639	29,745	-	518,288
Interest	52,711	108,330	26,448	-	187,489
Total expenditures	3,723,783	3,839,826	3,496,010	969,089	12,028,708
Excess of expenditures over revenues	364,111	442,523	(126,584)	(160,051)	519,999
OTHER FINANCIAL SOURCES (USES)					
Issuance of debt	-	38,670	-	-	38,670
Net change in fund balance	364,111	481,193	(126,584)	(160,051)	558,669
Fund balance at beginning of year	258,896	439,063	355,673	-	1,053,633
Other financing sources (uses)					
Transfers in:	98,405	-	-	215,405	313,811
Transfers out:	-	(245,003)	(68,808)	-	(313,811)
Total other financing sources(uses)	98,405	(245,003)	(68,808)	215,405	-
Fund balance at end of year	\$ 721,411	\$ 675,253	\$ 180,279	\$ 55,354	\$ 1,612,297

MEMPHIS BUSINESS ACADEMY SCHOOLS
COMBINING RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TO THE CHANGES
IN NET POSITION PER STATEMENT OF ACTIVITIES

June 30, 2017

	Memphis Business Academy Schools				
	High	Middle	Elementary	STEM	Total
AMOUNTS REPORTED FOR GOVERNMENTAL FUND IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:					
Net change in fund balance - governmental fund					
	\$ 364,111	\$ 481,193	\$ (126,584)	\$ (160,051)	\$ 558,669
Governmental fund report capital outlays as expenditures.					
However, in the statement of activities, purchases of property and equipment are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.					
Capital assets, not being depreciated		114,331		-	114,331
Capital assets, being depreciated - at cost	74,477	87,080	266,748	12,040	440,345
Sale of capital assets	-	(147,156)	-	-	(147,156)
Gain on sale	-	26,805	-	-	26,805
Depreciation expense	(146,542)	(178,792)	(83,465)	(2,876)	(411,475)
	<u>(72,065)</u>	<u>(97,732)</u>	<u>183,283</u>	<u>9,364</u>	<u>22,850</u>
Governmental fund reports loan proceeds as sources of funds.					
Loan proceeds are not reported in the statement of activities	-	(38,670)	-	-	(38,670)
Principal payments on mortgage loan payable	161,904	326,639	29,745	-	518,288
	<u>161,904</u>	<u>287,969</u>	<u>29,745</u>	<u>-</u>	<u>479,618</u>
Contributions and changes in deferred inflows/outflows to the pension plans	161,128	110,767	89,439	41,640	402,974
Change in net position per the statement of activities	<u>\$ 615,078</u>	<u>\$ 782,198</u>	<u>\$ 175,883</u>	<u>\$ (109,046)</u>	<u>\$ 1,464,112</u>

NOTE 1 – ORGANIZATION AND BUSINESS ACTIVITY

Memphis Business Academy Schools (the "Schools") are public charter schools authorized by the Shelby County Schools, formerly Memphis City Schools Board of Education. The mission of the Schools is to improve the academic achievement of students. The Schools are dedicated to the interdisciplinary teaching of mathematics, science, social studies and language arts with a focus on concepts related to business, economics and financial responsibility.

The Schools operate as Memphis Business Middle School, Memphis Business Academy High School, Memphis Business Academy Elementary School, and Memphis STEM Academy. All four schools have separate charter school filings, but have the same administration. All schools are components of Memphis Business Academy Schools Inc., a Tennessee nonprofit corporation.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement focus, basis of accounting and presentation

The Schools' management prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Charges to the Shelby County Schools are recognized as revenues in the year for which they are billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Memphis Business Academy Schools reports only one fund, which is the general fund (a governmental fund).

Government-Wide and Fund Financial Statements

The statement of net position and the statement of activities display information about Memphis Business Academy School. These statements include the financial activities of the overall government. Governmental activities generally are financed through intergovernmental revenues, and other non-exchange transactions. Memphis Business Academy School had no business-type activities during the year ended June 30, 2017.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include charges to students who purchase, use or directly benefit from goods and services provided and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Grants and other revenues not properly included among program revenues are reported instead as general revenues.

Cash equivalents

Cash equivalents are defined as short term, highly liquid investments that are both readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of changes in value because of changes in interest rates.

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the academy is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

Nonspendable fund balance

This classification includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted fund balance

This classification includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Restrictions may effectively be changed or lifted with the consent of resource providers.

Committed fund balance

This classification includes amounts that can only be used for the specific purposes determined by a formal action of the District's highest level of decision-making authority, the Board of Education of the Murray Independent School District. Commitments may be changed or lifted only by the District taking the same formal action that imposed the constraint originally (for example: resolution).

Assigned fund balance

This classification includes amounts intended to be used by the District for specific purposes that are neither restricted nor committed. The Board and its designee, the Superintendent and/or Board Treasurer, have the authority to assign amounts to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as nonspendable, restricted, or committed.

Unassigned fund balance

This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Equity

Equity in the government-wide financial statements is defined as "net position" and is classified in the following categories:

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets and any related deferred outflows of resources or deferred inflows of resources.

Restricted Net Position

Net position restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This component consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

Net Position Flow Assumption

Sometimes the academy will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the academy's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumption

Sometimes the academy will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the academy's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Property, equipment and depreciation

Property and equipment are recorded at cost. Expenditures for major renewals and betterments that extend the useful lives of assets are capitalized. The threshold for capitalization is \$1,000. Expenditures for normal repair and maintenance are expensed to operations as they occur. Gifts of property, when applicable, are recorded at the fair market value as of the date of the gift. Depreciation is provided through the straight-line method over the assets' estimated useful lives which range from three to thirty-nine years for furniture, equipment, books, building and improvements.

Deferred Outflows/Inflows of Resources

In accordance with GASB 64, in addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Schools report pension related deferred outflows for the year ended June 30, 2017.

Also, in addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Schools have no items that meet the criterion for this category. The Schools report pension related deferred inflows for the year ended June 30, 2017.

Income taxes

The Schools are classified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for federal or state income taxes has been accrued in the accompanying financial statements.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan, Teacher Legacy Pension Plan and the Public Employee Retirement Plan, in the Tennessee Consolidated Retirement System (TCRS) and additions to/ deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the plans. Investments are reported at fair value.

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Obligations

In the government-wide financial statements, debt and other obligations are reported as liabilities in the applicable governmental activities and statement of net position.

In the fund financial statements, any obligations secured by capital assets would not be reflected.

NOTE 4 – LINE OF CREDIT

The Schools have a \$375,000 line of credit agreement with a financial institution on which it may draw upon to provide necessary working capital. Interest is calculated at a rate of 1.100 percentage points over the prime (3.250% per annum at the inception of the loan on September 28, 2015 and increased to 3.50% at December 17, 2015), adjusted if necessary for any minimum and maximum rate limitations, resulting in an initial rate of 4.35% per annum based on a year of 360 days. Interest rate will not be less than 4.350% per annum. The line matures February 14, 2018. At June 30, 2017, the Schools had drawn \$0 on the line. Principal payments for the year ended June 30, 2017 totaled \$155,488.

NOTE 5 – RECEIVABLES

Receivables as of the year-end for the government's major fund, including the applicable allowances for uncollectible accounts (\$0) are as follows:

	<u>General Fund</u>
Receivables:	
Due from other governments	
Title 1 receivable	<u>\$ 220,339</u>

Amounts in the general fund called due from other governmental agencies represent the amounts due for federal expenditures incurred in the current year.

NOTE 6 – RISK MANAGEMENT

The Schools are exposed to the normal risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Schools' policy is to minimize these risks

through the purchase of commercial insurance. Settled claims have not exceeded the commercial insurance coverage in the past three years.

NOTE 7 – ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES

The Schools adopted the Income Tax topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, which provides guidance for how uncertain income tax positions should be recognized, measured, presented and disclosed in the financial statements. The Schools is required to evaluate the income tax positions taken or expected to be taken to determine whether the positions are "more-likely-than-not" to be sustained upon examination by the applicable tax authority. The Schools has determined that the application of the Income Taxes standard does not impact the operations of the Schools and that no provision for income tax is required in the School's financial statements.

NOTE 8 – CONCENTRATIONS OF RISK

Approximately 87% of the Schools' revenues for the year ended June 30, 2017 were from the Board of Education of the Shelby County Schools. Approximately 6% of the Schools' revenue for the year ended June 30, 2017 was from grants and private contributions.

The Schools maintain cash balances at three financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC insured) up to \$250,000. The Schools have not experienced any loss in such accounts. As of June 30, 2017, the uninsured balance is \$823,686.

NOTE 9 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for governmental funds. A draft of the budget is created by management and the Schools board chairman. The budget is presented to the board for approval. The budget revisions are approved by the board. Shelby County Schools receives a copy of the approved budget.

NOTE 10 – LONG-TERM DEBT

The following is a summary of notes payable at June 30, 2017:

School	Original amount	Interest Rate	Monthly principal and interest payments			Collateral
					Maturity	
Elementry	\$ 612,132	4.50%	\$ 4,683		10/13/2020	Building
High	1,752,690	3.75%	16,535		2/14/2018	Building
High	112,549	6.29%	1,660		7/13/2022	Bus
Middle	108,000	3.50%	772		5/22/2018	Assets
Middle	2,300,000	4.35%	14,365		10/11/2019	Building
Middle	38,670	5.48%	738		1/10/2022	Vehicle

MEMPHIS BUSINESS ACADEMY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Activity for the year ending June 30, 2017 is as follows:

School	Original amount	Beginning Balance	Increases	Decreases	Ending Balance
Elementry	612,132	593,166	-	29,745	563,421
High	\$ 1,752,690	\$1,297,846	-	\$147,906	\$1,149,940
High	112,549	100,466	-	13,998	86,468
Middle	108,000	90,344	-	90,344	-
Middle	2,300,000	2,175,977	-	77,973	2,098,004
Middle	38,670	-	38,670	2,834	35,836
		<u>\$4,257,799</u>	<u>\$38,670</u>	<u>\$362,800</u>	<u>\$3,933,669</u>
		Less: current maturities			<u>284,253</u>
		Total Long - term portion of notes payable			<u>\$ 3,649,416</u>

The following is a summary of principal maturities of long-term debt during the next five years:

For the year ended	
June 30,	
2018	\$ 284,253
2019	1,143,422
2020	1,986,374
2021	60,804
2022	457,165
2023 and thereafter	<u>1,651</u>
	<u>\$ 3,933,669</u>

NOTE 11 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Building	\$ 6,111,877	\$ -	\$ (95,820)	\$ 6,016,057
Building improvements	1,302,693	209,866	-	1,512,560
Library books and textbooks	553,315	64,060	(221,009)	396,366
Reg. instr. equipment	526,883	95,504	-	622,389
Administration equipment	147,100	985	-	148,087
Furniture and equipment	225,310	3,394	-	228,703
Vehicles	194,052	42,316	(30,000)	206,368
Food service equipment	53,993	-	-	53,993
Lockers	2,052	24,220	-	26,272
Equipment	1,771	-	-	1,771
Total capital assets, being depreciated	<u>9,119,046</u>	<u>440,345</u>	<u>(346,829)</u>	<u>9,212,566</u>
Less accumulated depreciation for:				
Building	\$ (438,859)	\$ (155,281)	\$ 10,469	\$ (583,672)
Building improvements	(578,481)	(56,320)	-	(634,801)
Library books and textbooks	(453,731)	(63,968)	221,009	(296,690)
Reg. instr. equipment	(275,711)	(70,786)	-	(346,498)
Administration equipment	(130,479)	(5,069)	-	(135,546)
Furniture and equipment	(161,089)	(25,631)	-	(186,720)
Vehicles	(102,679)	(28,076)	30,000	(100,754)
Food service equipment	(51,401)	(604)	-	(52,005)
Lockers	(2,052)	(5,383)	-	(7,435)
Equipment	(600)	(357)	-	(957)
Total accumulated depreciation	<u>(2,195,082)</u>	<u>(411,475)</u>	<u>261,478</u>	<u>(2,345,078)</u>
Capital Assets, Net	<u>\$ 6,923,964</u>	<u>\$ 28,870</u>	<u>\$ (85,351)</u>	<u>\$ 6,867,488</u>

Depreciation expense was charged to function/programs of the primary government as follows:

Depreciation expense		
Instructional		\$ 63,968
Plant operations		347,507
Total depreciation expense		<u>\$ 411,475</u>

Capital asset activity not being depreciated for the year ended June 30, 2017 was as follows

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 108,700	\$ -	\$ 108,700
Land	\$ 631,274	\$ 5,631	\$ (35,000)	\$ 601,905
Total capital assets, being depreciated	<u>631,274</u>	<u>114,331</u>	<u>(35,000)</u>	<u>710,605</u>

NOTE 12 - GENERAL INFORMATION ABOUT THE TEACHER RETIREMENT PENSION PLAN

Plan description. Teachers with membership in the Tennessee Consolidated Retirement System (TCRS) before July 1, 2014 of Memphis Business Academy are provided with pensions through the Teacher Retirement Plan, a

cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire with an unreduced benefit at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 60 and vested or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except in years when the maximum funded level, as established by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Memphis Business Academy for the year ended June 30, 2017 to the Teacher Retirement Plan were \$42,280 (\$23,440 Elementary, \$5,889 Middle, \$7,683 High and \$5,268 STEM), which is 4.00 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the cost of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

PENSION LIABILITIES (ASSETS) PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

Pension liabilities (assets). At June 30, 2017, the Schools reported an asset of \$16,769 (\$8,138 Elementary, \$2,217 Middle, and \$6,414 High) for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016, and the total pension asset used to calculate the net pension asset was determined by an actuarial value as of that date. The Schools' proportion of the net pension asset was based on their share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016, the Schools' proportion was 0.160217 percent (0.078171 percent Elementary, .020435 percent Middle, and .061611 percent High). At the measurement date of June 30, 2015, the Schools' proportion was 0.300792 percent (0.114442 percent Elementary, .093954 percent Middle, and .092396 percent High).

Pension expense. For the year ended June 30, 2017, the Schools recognized pension expense of \$14,279 (\$6,892 Elementary, \$1,948 Middle, and \$5,439 High).

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2016, Memphis Business Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Elementary	\$ 789	\$ 938
Middle	206	245
High	621	740
Subtotal	<u>\$ 1,616</u>	<u>\$ 1,923</u>
Net difference between projected and actual earnings on pension plan investments		
Elementary	\$ 1,332	-
Middle	348	-
High	1,050	-
Subtotal	<u>\$ 2,730</u>	<u>\$ -</u>
Changes in proportion of Net Pension Liability (Asset)		
Elementary	\$ 951	-
Middle	2,008	-
High	810	-
Subtotal	<u>\$ 3,769</u>	<u>\$ -</u>
Schools' contributions subsequent to the measurement date of June 30, 2016		
Elementary	\$ 23,440	-
Middle	5,889	-
High	7,683	-
STEM	5,268	-
Subtotal	<u>\$ 42,280</u>	<u>\$ -</u>
Totals		
Elementary	\$ 26,512	\$ 938
Middle	8,451	245
High	10,164	740
STEM	5,268	-
Total	<u>\$ 50,395</u>	<u>\$ 1,923</u>

Memphis Business Academy employer contributions of \$42,280 (\$23,440 Elementary, \$5,889 Middle, \$7,683 High and \$5,268 STEM), reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Elementary</u>	<u>Middle</u>	<u>High</u>	<u>Total</u>
Year Ended June 30:				
2018	\$ 409	\$ 253	\$ 327	\$ 989
2019	409	253	327	989
2020	409	253	327	989
2021	345	237	277	859
2022	60	162	51	273
Thereafter	503	1,158	432	2,093

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expenses.

Actuarial assumptions. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, Including inflation
Cost of Living Adjustment	2.5 percent

Mortality rates are customized based on the June 30, 2012 actuarial experience study and included an adjustment for expected future improvement in life expectancy.

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expenses.

The actuarial assumptions used in the June 30, 2016 actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. Equity	6.46%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. fixed income	0.98%	29%
Real estate	4.73%	7%
Short-term securities	0.00%	1%
		100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all LEAs will be made at the actuarially determined contributions rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of net pension liability (asset) to changes in the discount rate. The following presents the Schools' proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Memphis Business Academy's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1 – percentage point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Schools' proportionate share of the net pension liability (asset)			
Elementary	\$ 3,843	\$ (8,138)	(16,965)
Middle	1,005	(2,127)	(4,435)
High	3,029	(6,414)	(13,371)
Total	\$ 7,877	\$ (16,679)	\$ (34,771)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

NOTE 13 – GENERAL INFORMATION ABOUT THE TEACHER LEGACY PENSION PLAN

Plan description. Teachers with membership in the Tennessee Consolidated Retirement System (TCRS) before July 1, 2014 of the Schools are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning

July 1, 2014, the Teacher Legacy Pension Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Legacy Pension Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plan of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 55 and vested. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Schools for the year ended June 30, 2016 to the Teacher Legacy Pension Plan were 276,598 (\$76,154 Elementary, \$70,227 Middle, \$103,277 High, and \$26,939 STEM) which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets) Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension liabilities (assets). At June 30, 2017, The Schools reported a liability of \$413,228 (\$137,754 Elementary, \$126,026 Middle, and \$149,448 High) for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial value as of that date. The Schools' proportion of the net pension liability was based on The Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016 The Schools' proportion was .066133 percent (.022046 percent Elementary, .020169 percent Middle, and .023918 percent High). At the measurement date of June 30, 2015 The Schools' proportion was .017009 percent (.017009 percent Elementary, .016638 percent Middle, and .0277583 percent High).

Pension expense. For the year ended June 30, 2016, The Schools High School recognized pension expense of \$187,092 (\$60,254 Elementary, \$55,794 Middle, \$71,044 High).

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2016, The Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Elementary	\$ 5,797	\$ 166,775
Middle	5,304	152,576
High	6,289	180,932
Subtotal	<u>\$ 17,390</u>	<u>\$ 500,283</u>
Net difference between projected and actual earnings on pension plan investments		
Elementary	\$ 301,365	\$ 147,560
Middle	275,707	160,086
High	326,946	134,997
Subtotal	<u>\$ 904,018</u>	<u>\$ 442,643</u>
Changes in proportion of Net Pension Liability (Asset)		
Elementary	\$ 183,681	\$ -
Middle	169,087	-
High	235,958	27,832
Total	<u>\$ 588,726</u>	<u>\$ 27,832</u>
Schools' contributions subsequent to the measurement date of June 30, 2016		
Elementary	\$ 76,154	\$ -
Middle	70,227	-
High	103,277	-
STEM	26,939	-
Subtotal	<u>\$ 276,597</u>	N/A
Totals		
Elementary	\$ 566,997	\$ 314,335
Middle	520,325	312,662
High	672,470	343,761
STEM	26,939	-
Total	<u>\$ 1,786,731</u>	<u>\$ 970,758</u>

The Schools' employer contributions of 276,598 (\$76,154 Elementary, \$70,227 Middle, \$103,277 High, and \$26,939 STEM) reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Elementary	Middle	High	Total
2017	\$ 18,234	\$ 14,673	\$ 28,644	\$ 61,551
2018	18,234	14,673	28,644	61,551
2019	92,015	71,752	118,713	282,480
2020	51,253	40,218	68,953	160,424
2021	(3,229)	(3,879)	(19,522)	(26,630)
Thereafter	-	-	-	-

Actuarial assumptions. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, Including inflation
Cost of Living Adjustment	2.5 percent

Mortality rates are customized based on the June 30, 2012 actuarial experience study and included an adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016 actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. Equity	6.46%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. fixed income	0.98%	29%
Real estate	4.73%	7%
Short-term securities	0.00%	1%
		100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all LEAs will be made at the actuarially determined contributions rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be

available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of net pension liability (asset) to changes in the discount rate. The following presents The Schools' proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what The Schools' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1 – percentage point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Schools' proportionate share of the net pension liability (asset)			
Elementary	\$ 756,559	\$ 137,754	(374,794)
Middle	692,148	126,026	(342,885)
High	820,779	149,448	(406,608)
Total	<u>\$ 2,269,486</u>	<u>\$ 413,228</u>	<u>\$ (1,124,287)</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Note 14 – General Information about the Non-Teacher Pension Plan

Plan description. Employees of Memphis Business Academy are provided a defined benefit plan pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS, though the Shelby County Unified School District. Therefore to the Schools it is reported as a cost sharing multiple employer pension plan. The TCRS was created by the state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of the state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members eligible to retire with an unreduced benefit at age 60 with 5 years of service or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's 5 consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with 5 years of service credit. Service related disability eligibility are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit.

No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contribution, plus accumulated interest.

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary. Shelby County Unified School District makes employer contributions at the rate. Shelby County Unified School District makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, the Actuarially Determined Contribution (ADC) for the Memphis Business Academy was of \$210,159 (\$45,955 Elementary, \$105,183 Middle, \$107,090 High, and \$9,433 STEM) based on a rate of 9.27 percent of covered payroll. By Law, employer contributions are required to be paid. The TCRS may intercept Memphis Business Academy's state shared Taxes if required contributions are not remitted. The employer's ADC membership contributions are expected to finance the costs of the benefits earned by the members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets) Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension liabilities (assets). At June 30, 2017, The Schools reported an asset of \$358,924 (\$64,471 Elementary, \$155,514 Middle, and \$138,939 High) for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial value as of that date. The Schools' proportion of the net pension liability was based on The Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016 The Schools' proportion was 1.398129 percent (.231250 percent Elementary, .608809 percent Middle, and .558070 percent High). At the measurement date of June 30, 2015 The Schools' proportion was 1.135072 percent (.202273 percent Elementary, .438977 percent Middle, and .493822 percent High).

Negative Pension expense. For the year ended June 30, 2016, Memphis Business Academy recognized negative pension expense of \$98,688.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2016, Memphis Business academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Elementary	\$ -	\$ 62,070
Middle	-	141,132
High	-	123,560
Subtotal	\$ -	\$ 326,762
Net difference between projected and actual earnings on pension plan investments		
Elementary	\$ 45,955	\$ -
Middle	105,183	-
High	107,090	-
Subtotal	\$ 258,228	\$ -
Schools' contributions subsequent to the measurement date of June 30, 2016		
Elementary	\$ 44,570	\$ -
Middle	84,688	-
High	71,468	-
STEM	9,433	-
Subtotal	\$ 210,159	N/A
Totals		
Elementary	\$ 90,525	\$ 62,070
Middle	189,871	141,132
High	178,558	123,560
STEM	9,433	-
Total	\$ 468,387	\$ 326,762

The Schools' employer contributions of \$210,159 (\$44,570 Elementary, \$84,688 Middle, \$71,468 High, and \$9,433 STEM) reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Amounts reported as deferred outflows of resources deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Elementary	Middle	High	Total
Year Ended June 30:				
2017	\$ (11,895)	\$ (26,534)	\$ (12,157)	\$ (50,586)
2018	(11,895)	(26,534)	(12,157)	(50,586)
2019	3,357	7,488	3,431	14,276
2020	4,318	9,632	4,412	18,362
2021	-	-	-	-
Thereafter	-	-	-	-

Actuarial assumptions. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, Including inflation
Cost of Living Adjustment	2.5 percent

Mortality rates are customized based on the June 30, 2012 actuarial experience study and included an adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016 actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Real Rate of Return	Target Allocation
U.S. Equity	6.46%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. fixed income	0.98%	29%
Real estate	4.73%	7%
Short-term securities	0.00%	1%
		100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Memphis Business Academy will be made at the actuarially determined contributions rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive

members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of Memphis Business Academy calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Schools' proportionate share of the net pension liability (asset)			
Elementary	\$ 90,637	\$ (64,471)	\$ (194,345)
Middle	218,631	(155,514)	(468,790)
High	195,329	(138,939)	(418,826)
Total	\$ 504,597	\$ (358,924)	\$ (1,081,961)

Note 15 – Subsequent events

After year ended June 30, 2017 the Schools financed real property with a \$3,500,000 loan with 4.85% with a maturity date of August 4, 2019. In addition, the schools financed a school bus with a \$92,871 loan with a maturity date of July 18, 2024.

Subsequent events have been evaluated through December 18, 2017, the date the financial statements were available for issuance.

Required Supplementary Information

MEMPHIS BUSINESS ACADEMY SCHOOLS
SCHEDULE OF THE SCHOOLS' PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY (ASSET)
TEACHER RETIREMENT PLAN OF TCRS
Fiscal Year Ended June 30

	Elementary	Middle	High	<u>2015</u>
Schools' proportion of the net pension liability (asset)	0.114442%	0.093954%	0.092396%	0.300792%
Schools' proportionate share of the net pension liability (asset)	\$ (4,604)	\$ (3,780)	\$ (3,717)	\$ (12,101)
Schools' covered payroll	\$ 237,781	\$ 195,213	\$ 191,975	\$ 624,969
Schools' proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-1.94%	-1.94%	-1.94%	
Plan fiduciary net position as a percentage of the total pension liability	127.46%	127.46%	127.46%	
	Elementary	Middle	High	<u>2016</u>
Schools' proportion of the net pension liability (asset)	0.078171%	0.020435%	0.061611%	0.160217%
Schools' proportionate share of the net pension liability (asset)	\$ (8,138)	\$ (2,127)	\$ (6,414)	\$ (16,679)
Schools' covered payroll	\$ 343,958	\$ 89,917	\$ 271,093	\$ 704,968
Schools' proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-2.37%	-2.37%	-2.37%	
Plan fiduciary net position as a percentage of the total pension liability	121.88%	121.88%	121.88%	

**GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

MEMPHIS BUSINESS ACADEMY SCHOOLS
SCHEDULE OF THE SCHOOLS' CONTRIBUTIONS
TEACHER RETIREMENT PLAN OF TCRS
Fiscal Year Ended June 30

	2015	2016	2017
Contractually required			
Elementary	\$ 5,945	8,610	23,440
Middle	4,880	2,251	5,890
High	4,799	6,786	7,683
STEM			5,268
Total	<u>\$ 15,624</u>	<u>17,647</u>	<u>42,281</u>
Contribution in relation to the contractually required contribution			
Elementary	\$ 9,511	\$ 13,758	\$ 23,440
Middle	7,809	3,597	5,890
High	7,679	10,844	7,683
STEM			5,268
Total	<u>\$ 24,999</u>	<u>\$ 28,199</u>	<u>\$ 42,281</u>
Contribution deficiency (excess)			
Elementary	\$ (3,566)	\$ (5,148)	\$ -
Middle	(2,929)	(1,346)	-
High	(2,880)	(4,058)	-
STEM			-
Total	<u>\$ (9,375)</u>	<u>\$ (10,552.00)</u>	<u>\$ -</u>
Schools' covered payroll			
Elementary	\$ 237,781	\$ 343,958	\$ 601,606
Middle	195,213	89,917	151,565
High	191,975	271,093	192,075
STEM			131,700
Total	<u>\$ 624,969</u>	<u>\$ 704,968</u>	<u>\$ 1,076,946</u>
Contributions as a percentage of Schools' covered payroll			
Elementary	4.00%	4.00%	4.00%
Middle	4.00%	4.00%	4.00%
High	4.00%	4.00%	4.00%
STEM	4.00%	4.00%	4.00%

**GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

MEMPHIS BUSINESS ACADEMY SCHOOLS
SCHEDULE OF THE SCHOOLS' PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY (ASSET)
TEACHER LEGACY PENSION PLAN OF TCRS
Fiscal Year Ended June 30

					2015
	Elementary	Middle	High		
Schools' proportion of the net pension liability (asset)	0.017009%	0.016638%	0.027583%		0.061230%
Schools' proportionate share of the net pension liability (asset)	\$ 6,968	\$ 6,816	\$ 11,299		\$ 25,083
Schools' covered payroll	\$ 636,749	\$ 622,860	\$ 1,032,581		\$ 2,292,190
Schools' proportionate share of the net pension liability (asset) as a percentage of its covered payroll	1.094252%	1.094252%	1.094252%		
Plan fiduciary net position as a percentage of the total pension liability	99.81%	99.81%	99.81%		
					2016
	Elementary	Middle	High		
Schools' proportion of the net pension liability (asset)	0.022046%	0.020169%	0.023918%		0.066133%
Schools' proportionate share of the net pension liability (asset)	\$ 137,777	\$ 126,047	\$ 149,472		\$ 413,296
Schools' covered payroll	\$ 795,829	\$ 728,073	\$ 863,381		\$ 2,387,283
Schools' proportionate share of the net pension liability (asset) as a percentage of its covered payroll	17.31%	17.31%	17.31%		
Plan fiduciary net position as a percentage of the total pension liability	97.14%	97.14%	97.14%		

**GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

MEMPHIS BUSINESS ACADEMY SCHOOLS
SCHEDULE OF THE SCHOOLS' CONTRIBUTIONS
TEACHER LEGACY PENSION PLAN OF TCRS
Fiscal Year Ended June 30

	2015	2016	2017
Contractually required			
Elementary	\$ 57,562	\$ 71,943	\$ 76,154
Middle	56,307	65,818	70,228
High	93,345	78,050	103,277
STEM	-	-	26,939
Total	<u>\$ 207,214</u>	<u>\$ 215,811</u>	<u>\$ 276,598</u>
Contribution in relation to the contractually required contribution			
Elementary	\$ 57,562	\$ 71,943	\$ 76,154
Middle	56,307	65,818	70,228
High	93,345	78,050	103,277
STEM	-	-	26,939
Total	<u>\$ 207,214</u>	<u>\$ 215,811</u>	<u>\$ 276,598</u>
Contribution deficiency (excess)			
Elementary	\$ -	\$ -	\$ -
Middle	-	-	-
High	-	-	-
STEM	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Schools' covered payroll			
Elementary	\$ 636,749	\$ 795,830	\$ 842,413
Middle	622,860	728,075	774,632
High	1,032,581	863,381	1,142,450
STEM	-	-	298,000
Total	<u>\$ 2,292,190</u>	<u>\$ 2,387,286</u>	<u>\$ 3,057,495</u>
Contributions as a percentage of Schools' covered payroll			
Elementary	9.04%	9.04%	9.04%
Middle	9.04%	9.04%	9.04%
High	9.04%	9.04%	9.04%

**GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

MEMPHIS BUSINESS ACADEMY SCHOOLS
SCHEDULE OF THE SCHOOLS' PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY (ASSET)
PUBLIC EMPLOYEE PENSION PLAN OF TCRS

Fiscal Year Ended June 30

	Elementary	Middle	High	<u>2015</u>
Schools' proportion of the net pension liability (asset)	0.202273%	0.438977%	0.493822%	1.135072%
Schools' proportionate share of the net pension liability (asset)	\$ (78,062)	\$ (191,252)	\$ (171,737)	\$ (441,051)
Schools' covered payroll	\$ 337,376	\$ 826,572	\$ 742,228	\$ 1,906,176
Schools' proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-23.14%	-23.14%	-23.14%	
Plan fiduciary net position as a percentage of the total pension liability	102.54%	102.54%	102.54%	
	Elementary	Middle	High	<u>2016</u>
Schools' proportion of the net pension liability (asset)	0.231250%	0.608809%	0.558070%	1.398129%
Schools' proportionate share of the net pension liability (asset)	\$ (78,062)	\$ (191,252)	\$ (171,737)	\$ (441,051)
Schools' covered payroll	\$ 285,277	\$ 698,929	\$ 627,610	\$ 1,611,816
Schools' proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-27.36%	-27.36%	-27.36%	
Plan fiduciary net position as a percentage of the total pension liability	104.89%	104.89%	104.89%	

**SCHEDULE OF THE SCHOOLS' CONTRIBUTIONS BASED ON PARTICIPATION
IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
FISCAL YEAR ENDED JUNE 30**

	2015	2016	2017
Contractually required			
Elementary	\$ 30,316	\$ 26,445	\$ 44,750
Middle	74,275	64,791	84,688
High	66,696	58,179	71,468
STEM	-	-	9,433
Total	<u>171,287</u>	<u>149,415</u>	<u>210,339</u>
Contribution in relation to the contractually required contribution			
Elementary	\$ 30,316	\$ 26,445	\$ 44,750
Middle	74,275	64,791	84,688
High	66,696	58,179	71,468
STEM	-	-	9,433
Total	<u>171,287</u>	<u>149,415</u>	<u>210,339</u>
Contribution deficiency (excess)			
Elementary	\$ -	\$ -	\$ -
Middle	-	-	-
High	-	-	-
High	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Schools' covered payroll			
Elementary	\$ 337,376	\$ 285,277	\$ 480,793
Middle	826,572	698,929	913,568
High	742,228	627,610	770,962
STEM	-	-	101,760
Total	<u>\$ 1,906,176</u>	<u>\$ 1,611,816</u>	<u>\$ 2,267,083</u>
Contributions as a percentage of Schools' covered payroll			
Elementary	8.99%	9.27%	9.27%
Middle	8.99%	9.27%	9.27%
High	8.99%	9.27%	9.27%
STEM	8.99%	9.27%	9.27%

**GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

**MEMPHIS BUSINESS ACADEMY SCHOOLS'
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL- GENERAL FUND**

For the year ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Shelby County Schools- Board of Education	\$ 10,974,535	\$ 10,842,198	\$ (132,337)
Title I funds	669,424	650,664	(18,760)
Operating grants and contributions	885,375	769,796	(115,579)
Other revenue	163,225	165,698	2,473
 Total revenues	 12,692,559	 12,428,356	 (264,203)
EXPENDITURES			
Current:			
Salaries, wages and benefits	8,634,187	8,202,356	(431,831)
Occupancy costs	717,450	701,654	(15,796)
Student services	183,450	192,778	9,328
Office expense	113,000	133,922	20,922
Professional and service fees	161,000	43,348	(117,652)
Insurance	110,000	99,186	(10,814)
Transportation	356,870	299,535	(57,335)
Staff development	39,500	36,408	(3,092)
Supplies	574,297	522,472	(51,825)
Other expenses	537,300	536,595	(705)
Debt Service:			
Principal	265,000	518,288	253,288
Interest	200,000	187,489	(12,511)
 Total expenditures, before capital outlay	 11,892,054	 11,474,031	 (418,023)
Excess of revenues over expenditures, before capital outlay	800,505	954,325	153,820
Capital outlay			
Property and equipment	800,505	554,676	(245,829)
 Excess of expenditures over revenues, after capital outlay	 \$ -	 \$ 399,648	 \$ 399,648

**MEMPHIS BUSINESS ACADEMY SCHOOLS'
COMBINING STATEMENT OF NET POSITION**
June 30, 2017

	High	Middle	Memphis Business Academy Schools Elementary	STEM	Total
ASSETS					
Cash and cash equivalents	\$ 695,599	\$ 669,076	\$ 180,688	\$ 55,141	\$ 1,600,504
Title 1 receivable	74,218	87,103	43,990	15,028	220,339
Net pension asset	145,353	157,641	72,609	-	375,603
Capital assets:					
Construction in progress	-	108,700	-	-	108,700
Land and assets not in service	241,888	330,984	29,033	-	601,905
Depreciable assets, net of accumulated depreciation	<u>1,586,628</u>	<u>4,113,445</u>	<u>1,158,051</u>	<u>9,364</u>	<u>6,867,488</u>
Total assets	<u>\$2,743,686</u>	<u>\$5,466,949</u>	<u>\$ 1,484,371</u>	<u>\$ 79,533</u>	<u>\$ 9,774,539</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	<u>\$ 861,192</u>	<u>\$ 718,647</u>	<u>\$ 684,034</u>	<u>\$ 41,640</u>	<u>\$ 2,305,513</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 48,406	\$ 80,926	\$ 64,399	\$ 14,814	\$ 208,545
Net pension liability	149,448	126,026	137,754	-	413,228
Due within one year	162,810	89,924	31,519	-	284,253
Due in more than one year	<u>1,073,598</u>	<u>2,043,916</u>	<u>531,902</u>	<u>-</u>	<u>3,649,416</u>
Total liabilities	<u>\$1,434,262</u>	<u>\$2,340,792</u>	<u>\$ 765,574</u>	<u>\$ 14,814</u>	<u>\$ 4,555,442</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related	<u>\$ 468,063</u>	<u>\$ 454,039</u>	<u>\$ 377,343</u>	<u>\$ -</u>	<u>\$ 1,299,445</u>
NET POSITION					
Net investment in capital assets	592,108	2,419,289	623,663	9,364	3,644,424
Restricted - net pension asset	145,353	157,641	72,609	-	375,603
Unrestricted	965,092	813,835	329,216	96,995	2,205,138
Total net position	<u>\$1,702,553</u>	<u>\$3,390,765</u>	<u>\$ 1,025,488</u>	<u>\$ 106,359</u>	<u>\$ 6,225,165</u>

MEMPHIS BUSINESS ACADEMY SCHOOLS
STATEMENT OF ACTIVITIES - HIGH SCHOOL
For the period ended 6/30/2017

Governmental Activities:	Total	Functions		
		Instructional and Student Services	General and Administration	Debt Services
Program Expenses:				
Salaries, wages and benefits	\$ 2,590,773	\$ 1,956,376	\$ 634,397	\$ -
Occupancy costs	177,635	8,657	168,978	-
Student services	22,123	22,123	-	-
Office expense	42,945	-	42,945	-
Depreciation	146,542	40,107	106,435	-
Professional and service fees	8,092	8,092	-	-
Insurance	72,118	72,118	-	-
Transportation	32,853	32,853	-	-
Staff development	11,581	11,581	-	-
Supplies	196,323	126,244	70,079	-
Other expenses	119,120	61,051	58,069	-
Interest	52,711	-	-	52,711
Total expenses	<u>3,472,816</u>	<u>2,339,202</u>	<u>1,080,903</u>	<u>52,711</u>
Program Revenues:				
Title I	187,879	187,879	-	-
Operating grants and contributions	134,797	134,797	-	-
Total program revenues	<u>322,676</u>	<u>322,676</u>	<u>-</u>	<u>-</u>
Net program expenses	<u>\$ 3,150,140</u>	<u>\$ 2,016,526</u>	<u>\$ 1,080,903</u>	<u>\$ 52,711</u>
General Revenues:				
District funding	3,762,421			
Other income	2,797			
Total general revenues	<u>3,765,218</u>			
Change in net position	615,078			
Net position - beginning of fiscal year	643,361			
Funds transferred internally	<u>444,114</u>			
Net position - ending of fiscal year	<u>\$ 1,702,553</u>			

**MEMPHIS BUSINESS ACADEMY SCHOOLS
STATEMENT OF ACTIVITIES - MIDDLE SCHOOL**

For the period ended 6/30/2017

Governmental Activities:	Total	Functions		
		Instructional and Student Services	General and Administration	Debt Services
Program Expenses:				
Salaries, wages and benefits	\$ 2,147,554	\$ 1,647,400	\$ 500,154	\$ -
Occupancy costs	144,870	10,166	134,704	-
Student services	159,563	159,563	-	-
Office expense	76,527	-	76,527	-
Depreciation	178,792	9,032	169,760	-
Professional and service fees	20,173	20,173	-	-
Insurance	24,480	24,480	-	-
Transportation	37,041	37,041	-	-
Staff development	15,126	15,126	-	-
Supplies	194,008	132,550	61,458	-
Other expenses	273,336	119,667	153,669	-
Interest	108,330	-	-	108,330
Total expenses	<u>3,379,800</u>	<u>2,175,198</u>	<u>1,096,272</u>	<u>108,330</u>
Program Revenues:				
Title I	244,278	244,278	-	-
Operating grants and contributions	<u>383,600</u>	<u>383,600</u>	<u>-</u>	<u>-</u>
Total program revenues	<u>627,878</u>	<u>627,878</u>	<u>-</u>	<u>-</u>
Net program expenses	<u>\$ 2,751,922</u>	<u>\$ 1,547,320</u>	<u>\$ 1,096,272</u>	<u>\$ 108,330</u>
General Revenues:				
District funding	3,379,257			
Other income	<u>154,863</u>			
Total general revenues	<u>3,534,120</u>			
Change in net position	782,198			
Net position - beginning of fiscal year	3,397,975			
Funds transferred internally	<u>(789,408)</u>			
Net position - ending of fiscal year	<u>\$ 3,390,765</u>			

MEMPHIS BUSINESS ACADEMY SCHOOLS
STATEMENT OF ACTIVITIES - ELEMENTARY SCHOOL
For the period ended 6/30/2017

Governmental Activities:	Total	Functions		
		Instructional and Student Services	General and Administration	Debt Services
Program Expenses:				
Salaries, wages and benefits	\$ 2,405,486	\$ 2,161,898	\$ 243,588	\$ -
Occupancy costs	195,339	3,631	191,708	-
Student services	9,241	9,241	-	-
Office expense	10,148	-	10,148	-
Depreciation	83,465	14,829	68,636	-
Professional and service fees	8,083	8,083	-	-
Insurance	2,588	2,588	-	-
Transportation	218,504	218,504	-	-
Staff development	9,301	9,301	-	-
Supplies	95,796	71,235	24,561	-
Other expenses	129,144	26,119	103,025	-
Interest	26,448	-	-	26,448
Total expenses	<u>3,193,543</u>	<u>2,525,429</u>	<u>641,666</u>	<u>26,448</u>
Program Revenues:				
Title I	178,975	178,975	-	-
Operating grants and contributions	<u>128,830</u>	<u>128,830</u>	<u>-</u>	<u>-</u>
Total program revenues	<u>307,805</u>	<u>307,805</u>	<u>-</u>	<u>-</u>
Net program expenses	<u>\$ 2,885,738</u>	<u>\$ 2,217,624</u>	<u>\$ 641,666</u>	<u>\$ 26,448</u>
General Revenues:				
District funding	3,053,583			
Other income	8,038			
Total general revenues	<u>3,061,621</u>			
Change in net position	175,883			
Net position - beginning of fiscal year	719,717			
Funds transferred internally	<u>129,888</u>			
Net position - ending of fiscal year	<u>\$ 1,025,488</u>			

**MEMPHIS BUSINESS ACADEMY SCHOOLS
STATEMENT OF ACTIVITIES - STEM ACADEMY**

For the period ended 6/30/2017

Governmental Activities:	Total	Functions		
		Instructional and Student Services	General and Administration	Debt Services
Program Expenses:				
Salaries, wages and benefits	\$ 655,568	\$ 509,902	\$ 145,667	\$ -
Occupancy costs	183,810	3,282	180,528	-
Student services	1,851	1,851	-	-
Office expense	4,302	-	4,302	-
Depreciation	2,676	-	2,676	-
Professional and service fees	7,000	7,000	-	-
Insurance	-	-	-	-
Transportation	11,137	11,137	-	-
Staff development	400	400	-	-
Supplies	36,345	28,230	8,115	-
Other expenses	14,995	1,312	13,683	-
Interest	-	-	-	-
Total expenses	<u>918,084</u>	<u>563,114</u>	<u>354,971</u>	<u>-</u>
Program Revenues:				
Title I	39,532	39,532	-	-
Operating grants and contributions	122,569	122,569	-	-
Total program revenues	<u>162,101</u>	<u>162,101</u>	<u>-</u>	<u>-</u>
Net program expenses	<u>\$ 755,983</u>	<u>\$ 401,013</u>	<u>\$ 354,971</u>	<u>\$ -</u>
General Revenues:				
District funding	646,937			
Other income	-			
Total general revenues	<u>646,937</u>			
Change in net position	(109,046)			
Net position - beginning of fiscal year	-			
Funds transferred internally	<u>215,405</u>			
Net position - ending of fiscal year	<u>\$ 106,359</u>			

MEMPHIS BUSINESS ACADEMY, INC.,
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2017

<u>Federal Grantor/Pass-Through Grantor</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>
<i>High School</i>			
U.S. Department of Education Passed through Tennessee Department of Education Passed through Shelby County Board of Education Title 1 Grants to Local Educational Agencies	84.010	GR0517244	\$ 187,879
<i>Middle School</i>			
U.S. Department of Education Passed through Tennessee Department of Education Passed through Shelby County Board of Education Title 1 Grants to Local Educational Agencies	84.010	GR0517244	244,278
<i>Elementary School</i>			
U.S. Department of Education Passed through Tennessee Department of Education Passed through Shelby County Board of Education Title 1 Grants to Local Educational Agencies	84.010	GR0517244	178,975
<i>STEM Academy</i>			
U.S. Department of Education Passed through Tennessee Department of Education Passed through Shelby County Board of Education Title 1 Grants to Local Educational Agencies	84.010	GR0517244	39,532
Total Expenditures of Federal Awards			\$ 650,664

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Memphis Business Academy, and is presented on the modified accrual basis of accounting. The information presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2 – INDIRECT COST RATE

The academy has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

NOTE 3 – CONTINGENT LIABILITIES AND LOSSES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of applicable funds. The amount, if any, of expenditures, which may be disallowed by the grantors, cannot be determined at this time although the District's management expects such amounts, if any to be immaterial.

MEMPHIS BUSINESS ACADEMY, INC.
SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended June 30, 2017

<u>Grantor/Pass-through Entity</u>	<u>Contract Number</u>	<u>Expenditures</u>
<i>High School</i>		
Tennessee Arts Commission	unknown	\$ 1,700
Tennessee Department of Education Capital Outlay	unknown	198,000
Tennessee Department of Education Passed through Shelby County Board of Education Basic Education Program	unknown	3,564,421
Total state financial assistance - High School		\$ 3,764,121
<i>Middle School</i>		
Tennessee Department of Education Capital Outlay	unknown	149,000
Tennessee Department of Education Passed through Shelby County Board of Education Basic Education Program	unknown	3,230,257
Total state financial assistance - Middle School		\$ 3,379,257
<i>Elementary School</i>		
Tennessee Department of Education Capital Outlay	unknown	125,000
Tennessee Department of Education Passed through Shelby County Board of Education Basic Education Program	unknown	2,928,583
Total state financial assistance - Elementary School		\$ 3,053,583
<i>STEM Academy</i>		
Tennessee Arts Commission	unknown	\$ 2,519
Tennessee Department of Education Capital Outlay	unknown	26,000
Tennessee Department of Education Passed through Shelby County Board of Education Basic Education Program	unknown	620,937
Total state financial assistance - STEM Academy		\$ 649,456
<i>All Schools Combined</i>		
Tennessee Department of Education Capital Outlay		\$ 4,219
Tennessee Department of Education Passed through Shelby County Board of Education Basic Education Program		498,000
Total state financial assistance - All Schools Combined		\$ 10,344,198
		\$ 10,846,417

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of state awards includes the state grant activity of Memphis Business Academy. is presented on the modified accrual basis of accounting. The information presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees
Memphis Business Academy Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Memphis Business Academy Schools, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Memphis Business Academy Schools' basic financial statements, and have issued our report thereon dated December 18, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Memphis Business Academy Schools' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Memphis Business Academy Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Memphis Business Academy Schools' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Memphis Business Academy Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Alexander Thompson Arnold PLLC

December 18, 2017

**MEMPHIS BUSINESS ACADEMY HIGH SCHOOL
MEMPHIS BUSINESS ACADEMY MIDDLE SCHOOL
MEMPHIS BUSINESS ACADEMY ELEMENTARY SCHOOL**

Financial Statements and Supplementary Information

June 30, 2016

MCLEAN & ASSOCIATES, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
3211 KIRBY WHITTEN PARKWAY
BARTLETT, TENNESSEE 38134

MEMPHIS BUSINESS ACADEMY SCHOOLS

Table of Contents

June 30, 2016

	Page
Independent Auditors' Report	2-3
Required Supplementary Information – Management's Discussion and Analysis.....	4-8
Basic Financial Statements:	
Government-wide Financial Statements:	
Combined Statement of Net Position	10
Combined Statement of Activities.....	11
Fund Financial Statements:	
Combining Balance Sheet – Governmental Fund	12
Combining Reconciliation of the Balance Sheet – Governmental Fund to Statement of Net Position.....	13
Combining Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Fund.....	14
Combining Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Fund to Statement of Activities.....	15
Notes to the Financial Statements	16-31
Other Supplementary Information:	
Schedule of Revenues and Expenditures – Budget and Actual – General Fund	33
Combining Statement of Net Position.....	34
Statement of Activities – High School.....	35
Statement of Activities – Middle School	36
Statement of Activities – Elementary School	37
Other Required Supplementary Information:	
Schedule of Proportionate Share of Net Pension Liability – Teacher Retirement Plan.....	38
Schedule of Contributions to the Teacher Retirement Plan	39
Schedule of Proportionate Share of Net Pension Liability – Teacher Legacy Pension Plan	40
Schedule of Contributions to the Teacher Legacy Pension Plan	41
Schedule of MBA's Share of the Non-Teacher Net Pension Liability.....	42
Schedule of Contributions to the Teacher Legacy Pension Plan	43
Internal Control and Compliance:	
Independent Auditors' Report on Compliance and On Internal Control over Financial Reporting Based On an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	45-46
Schedule of Expenditures of Federal and State Financial Assistance.....	47

MCLEAN & ASSOCIATES, PLLC

CERTIFIED PUBLIC ACCOUNTANTS
3211 KIRBY WHITTEN PARKWAY
BARTLETT, TENNESSEE 38134

TELEPHONE 901.347.0352 • FACSIMILE 901.405.1277

WWW.MCLEANCPA.COM

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Memphis Business Academy Schools
Memphis, Tennessee

We have audited the accompanying combined financial statements of the governmental activities and the major fund of Memphis Business Academy Elementary School, Memphis Business Academy Middle School and Memphis Business Academy High School (the "Schools") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Schools' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Schools, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the combined and the major fund financial statements that collectively comprise the Schools financial statements as a whole. The supplementary and other information, (which includes the schedule of revenues and expenditures – budget and actual – general fund, schedule of expenditures of federal and state financial assistance, combining statements of net position and statements of activities by school), is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary and other information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary and other information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2016, on our consideration of Memphis Business Academy Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Schools' internal control over financial reporting and compliance.

M Yearn & Associates

December 13, 2016

The following Management's Discussion and Analysis (MD&A) of Memphis Business Academy High School, Memphis Business Academy Middle School and Memphis Business Academy Elementary School's (the "Schools") activities and financial performance provides the reader with an introduction and overview to the financial statements of the School for the period ended June 30, 2016. This information should be considered within the context of the accompanying financial statements and note disclosures.

School Activities

The mission of the Schools is to ensure high academic achievement of students from the Frayser/Raleigh area and to help them to develop the knowledge, skills, and dispositions that will enable them to be successful in school and beyond. The Academy is dedicated to the high quality teaching of mathematics, science, social studies, and language arts with a focus on business, entrepreneurship, and financial responsibility. Through the implementation of innovative and effective instructional models, the school will meet state and national standards while developing independent and critical thinkers who possess the communication skills and quantitative literacy necessary to be successful in a high tech, global society.

The Schools offers grades K through 12. Classes are from 7:30 until 3:30, which is an additional hour of instruction. Memphis Business Academy High School graduated its first senior class in 2012. Many of the students, or "Executives," come to us from MBA Middle, through a "pipeline." Therefore, we are able to keep track of their growth, data, and academic needs to place them in the appropriate high school courses.

The Memphis STEM Academy started its operation for the 2016-2017 school year. Its mission is to promote academic excellence and future student success through a focus on Science, Technology, Engineering, and Mathematics and ongoing engagement in problem solving, critical thinking, teamwork, and communication in the Frayser community.

The Shelby County School board approved the charter school administration's recommendation to authorize the opening of Memphis Business Academy Elementary and Middle Schools in the Hickory Hill neighborhood. The additional schools will expand the charter network's footprint across Memphis from four schools to six.

All schools students have the traditional course schedule, with extracurricular courses in Spanish, Physical Education, and Personal Finance. Middle school students earn credits for Personal Finance and Algebra I. MBA High offers a full curriculum, with an additional science requirement to increase ACT scores and STEM participation. As a "college prep" school we offer Advanced Placement Courses in Spanish Language, Studio Art-Drawing, Calculus AB, Biology, Human Geography, US History, and United States Government. Executives are enrolled in 6 courses per day with the exception of those who are preparing for End Of Course exams English II. Those students take 5 classes per day, with two hours of English instruction. Additionally, students in AP Biology have a 2 hour course so that they have an extra hour for the lab requirements. Memphis Business Academy Elementary, Middle and High Schools were named as one of 42 public schools in the county to the state "reward" list for performing in the top 5 percent on state tests last spring, or for being among 5 percent of schools showing the most progress." (Commercial Appeal)

The Memphis Business Academy New and Experimental Technologies program or MBA NEXT program has been implemented for the school year 2016-17. It is a comprehensive STEM program designed to utilize project based learning to prepare our students for next generation careers. MBA Next students will get hands on experience in computer programming and engineering design, as well as being able to utilize modern tools and equipment to discover their own creativity and ability.

Students at MBA are "Executives" and they are involved in a number of extracurricular activities during and after school. These activities include Academic Tutoring, The Standard Leadership Group, Robotics, Executive Sounds Choir, Drumline, Majorettes, Cheerleaders, Soccer, Volleyball and Basketball. Students who are interested in Football play for Trezevant High School, which is three blocks away, through a MIAA/TSSAA partnership. We are a member of the National Honor Society and this is the third year for our distinguished Robotics program.

ROW, Reading on Wednesdays, is a new initiative that was begun as a means to increase targeted focused and silent reading for the Executives. Every Wednesday, students are on a shortened schedule, and from 2:00-3:20, the school is silent while everyone is engaged in reading – students, teachers, administrators, and the custodial staff. Teachers rotate ROW coverage. While one group is in ROW, the other group is involved in Professional Development meetings that take place during the school day.

The teachers and administrators of Memphis Business Academy Schools have embraced a data-driven culture. The teachers' instructional practices are informed by students' academic and social data, and the administrators' organizational decisions are informed by school-wide data. Students are provided a rigorous, structured learning environment that is conducive to their academic growth and development.

The Schools continue to be considered as Title I schools which receive funds annually to support academic success. Title I is a part of the Elementary Secondary Education Act (ESEA). The funding provides financial assistance in purchasing necessary instructional materials needed to enhance the education of children from the low-income families the Schools serve. These funds will be used to purchase science lab equipment for students, additional instructional materials, and professional development activities/events for parents, students, and staff, and to purchase resources necessary to increase parental involvement.

The Schools thrived tremendously during academic year 2015-2016 and will continue to strive for academic excellence. All three schools in the network of Memphis Business Academy Charter Schools (Memphis Business Academy Elementary, Middle and High) are classified as Reward Schools by the state of Tennessee. Memphis Business Academy Elementary, with a Level 5 TVAAS (value-added) rating is ranked in the top 5% of schools in the state for year-over-year progress. The middle school is ranked in the top 5% for progress as well. Memphis Business Academy High School has been listed as a Reward School for two consecutive years.

We will continue to recruit great families and students, encouraging them to make the Schools their first choice!

Student Enrollment Factors and Next Year's Budget

Enrollment: FY 2017 enrollment is projected to be 1400, which includes K-12.

Revenues: State and Federal revenues are budgeted at approximately \$11,200,000.

Expenses: Student and staff related expenses are expected to increase with the additional enrollment and general and administrative expenses, while increasing, are expected to decline as a percentage of total expenses. Total expenses are budgeted at \$11,200,000, producing a balanced budget for fiscal year 2017.

Memphis Business Academy has, through rigorous instructional opportunities and advanced teacher preparation methodologies, become a premier educational environment in the Frayser community. Over the past two years enrollment has increased over 25% for the middle school. The 2015-16 year ended with approximately 300 students while the current year's enrollment is at a resounding 380. Similar attendance accomplishments occurred with Memphis Business Academy High; an additional 60 students have enrolled from 2015-16 to 2016-17, and over the past two years enrollment has increased over 20%. As the elementary school has increased grade levels each year from its opening in 2011-12, enrollment has significantly increased in that school as well.

Contacting the Schools Financial Management

This financial report is designed to provide our student's parents, Shelby County taxpayers, donors, creditors, authorities over grant funding and agencies tasked with oversight of Shelby County public schools with a general overview of the Schools' finances and to demonstrate the Schools' accountability of the money it receives. If you have questions about this report or need additional financial information, contact the Schools' Chief Financial Officer, Sylvia Gray at 2450 Frayser Blvd, Memphis, TN 38127, by telephone at (901) 358-8569 or by email: sylvia.gray@mbaexecutives.org.

Overview of the Financial Statements

Financial Highlights

This financial report consists of a series of financial statements, notes to those statements, and required supplementary information. The statements are organized so that the reader can understand the School as a whole and then proceed to a detailed look at specific financial activities of the School.

Reporting the Schools as a Whole

The Statement of Net Position and Statement of Activities:

In general, users of these financial statements want to know if the Schools are better off or worse off as a result of the year's activities. The Statement of Net Position and Statement of Activities report information about the Schools' as a whole and about the Schools' activities in a manner that helps to answer that question. These statements include all assets and liabilities using the accrual basis of accounting. Under the accrual basis, all of the current year's revenue and expenses are taken into consideration regardless of when cash is received or paid.

The Statement of Net Position reports the Schools' net position (total assets less total liabilities). Private sector entities would report retained earnings. The Schools' net position balance at year end represents available resources for future growth. The Statement of Activities reports the change in net position as a result of activity during the year. Private sector entities have a similar report titled the statement of operations, which reports net income. It provides the user a tool to assist in determining the direction of the Schools' financial health during the year. Users will want to consider non-financial factors as well as the financial data in arriving at a conclusion regarding the overall health of the Schools.

Reporting the Schools Fund

Fund Financial Statements:

The Schools' governmental fund financial statements, the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances, provided detailed information about the Schools' most significant fund, not the Schools as a whole. The fund is established by the Schools to help manage money for particular purposes and compliance with various grant provisions.

The Schools' funds are categorized as "governmental funds." Governmental funds focus on how money flows into and out of the funds and the balances left at the end of the period that are available for spending in future period. Fund financial statements are reported using an accounting method called "modified accrual" accounting, which measures cash and other financial assets that can readily be converted to cash. The basis of accounting is different from the accrual basis used in the schools-wide financial statements to report of the Schools as a whole. The relationship between governmental activities, as reported in the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances is reconciled following the basic financial statements.

Condensed Financial Information

The Schools' condensed statement of net position for the fiscal year ended June 30, 2016 reflects the net position of \$4,761,053. Changes in net position measure whether the School's financial position is improving or deteriorating. For the fiscal year ended June 30, 2016 the Schools' net assets increased \$882,776.

Condensed Statement of Net Position as of June 30, 2016

	Governmental Activities As of June 30, 2016			
	High	Middle	Elementary	Total
Assets:				
Current and other assets	\$ 1,259,784	\$ 1,243,415	\$ 945,470	\$ 3,448,669
Capital assets	257,025	7,086,276	211,937	7,555,238
Total assets	<u>\$ 1,516,809</u>	<u>\$ 8,329,691</u>	<u>\$ 1,157,407</u>	<u>\$ 11,003,907</u>
Liabilities				
Current and other liabilities	\$ 772,981	\$ 618,897	\$ 437,690	\$ 1,829,568
Line of credit	-	155,487	-	155,487
Mortgage payable	100,467	4,157,332	-	4,257,799
Total liabilities	<u>873,448</u>	<u>4,931,716</u>	<u>437,690</u>	<u>6,242,854</u>
Net position:				
Net investment in capital assets	156,558	2,773,457	211,937	3,141,952
Unrestricted	486,803	624,518	507,780	1,619,101
Total net position	<u>643,361</u>	<u>3,397,975</u>	<u>719,717</u>	<u>4,761,053</u>
Total liabilities and net position	<u>\$ 1,516,809</u>	<u>\$ 8,329,691</u>	<u>\$ 1,157,407</u>	<u>\$ 11,003,907</u>

The positive net position of \$4,761,053 is an indication of the strength of the Schools and allow the schools to proceed with its planned growth over the next few years.

The Schools' primary source of revenue is funding through the Shelby County Schools (SCS) Board of Education and is mainly attributable to the per-pupil allocation, which increased due to the Schools adding additional pupils during the current year. As the Schools grow and increase its enrollment from 1,028 to 1,400 students over the next two years, (SCS) per-pupil revenues will represent a larger share of revenues.

Government-Wide Financial Analysis

Memphis Business Academy Schools' Changes in Net Positions

	Governmental Activities As of June 30, 2016			
	Memphis Business Academy Schools			
	High	Middle	Elementary	Total
REVENUES				
Shelby County Schools - Board of Education	\$ 3,175,989	\$ 2,654,611	\$ 2,790,822	\$ 8,621,422
Title I funds	112,174	89,790	90,168	292,132
Operating grants and contributions	5,000	457,893	-	462,893
Other revenue	409	13,730	600	14,739
Total revenues	<u>3,293,572</u>	<u>3,216,024</u>	<u>2,881,590</u>	<u>9,391,186</u>
EXPENDITURES				
Salaries, wages and benefits	\$ 2,440,643	\$ 1,958,451	\$ 1,829,393	\$ 6,228,487
Occupancy costs	146,184	34,650	343,545	524,379
Student services	47,141	19,643	8,909	75,693
Office expense	13,570	54,190	11,531	79,291
Depreciation	129,614	237,031	40,891	407,536
Professional and service fees	19,801	21,207	16,000	57,008
Insurance	109,215	11,653	-	120,868
Transportation	125,769	52,849	70,710	249,328
Staff development	21,965	9,772	11,663	43,400
Supplies	46,050	31,798	53,426	131,274
Other expenses	225,542	131,106	39,321	395,969
Interest	6,175	189,002	-	195,177
Total expenditures	<u>3,331,669</u>	<u>2,751,352</u>	<u>2,425,389</u>	<u>8,508,410</u>
Change in net position	<u>\$ (38,097)</u>	<u>\$ 464,672</u>	<u>\$ 456,201</u>	<u>\$ 882,776</u>

Capital Asset and Debt Administration

Capital Assets:

Memphis Business Academy Schools' investment in capital assets, net of accumulated depreciation, for its governmental activities as of June 30, 2016 totaled \$7,555,238. The major capital asset transactions during the year ended June 30, 2016 consisted of purchase of the Berclair properties, textbooks, leasehold improvements, and a school bus.

Combined Statement of Net Position

June 30, 2016

ASSETS

Cash and cash equivalents	\$ 1,141,724
Accrued tuition	37,296
Capital assets:	
Land	631,274
Depreciable assets, net of accumulated depreciation	6,923,964
Net pension asset	<u>428,069</u>
Total assets	9,162,327

DEFERRED OUTFLOW OF RESOURCES

TOTAL ASSETS	\$ 11,003,907
---------------------	----------------------

LIABILITIES

Accounts payable and accrued liabilities	\$ 125,387
Line of credit	155,487
Notes payable	
Due within one year	266,666
Due in more than one year	<u>3,991,133</u>
Total liabilities	4,538,673

DEFERRED INFLOWS OF RESOURCES	1,704,181
--------------------------------------	------------------

Net position

Net investment in capital assets	3,141,952
Unrestricted	<u>1,619,101</u>
Total net position	4,761,053

TOTAL LIABILITIES AND NET POSITION	\$ 11,003,907
---	----------------------

Governmental Activities:	Total	Functions		
		Instructional and Student Services	General and Administration	Debt Services
Program Expenses:				
Salaries, wages and benefits	\$ 6,228,487	\$ 4,949,307	\$ 1,279,180	\$ -
Occupancy costs	524,379	-	524,379	-
Student services	75,693	75,693	-	-
Office expense	79,291	2,694	76,597	-
Depreciation	407,536	62,714	344,822	-
Professional and service fees	57,008	-	57,008	-
Insurance	120,868	-	120,868	-
Transportation	249,328	249,328	-	-
Staff development	43,400	43,400	-	-
Supplies	131,274	83,120	48,154	-
Other expenses	395,969	56,337	339,632	-
Interest	195,177	-	-	195,177
Total expenses	8,508,410	5,522,593	2,790,640	195,177
Program Revenues:				
Title I	292,132	292,132	-	-
Operating grants and contributions	462,893	-	462,893	-
Total program revenues	755,025	292,132	462,893	-
Net program expenses	\$ 7,753,385	\$ 5,230,481	\$ 2,327,747	\$ 195,177
General Revenues:				
District funding	8,621,422			
Other income	14,739			
Total general revenues	8,636,161			
Change in net position	882,776			
Net position - beginning of fiscal year	<u>3,878,277</u>			
Net position - ending of fiscal year	<u>\$ 4,761,053</u>			

Governmental Fund				
Memphis Business Academy Schools				
High	Middle	Elementary	Total	

ASSETS

Cash and cash equivalents	\$ 295,375	\$ 468,408	\$ 377,941	\$ 1,141,724
Title I receivable	11,833	13,796	11,667	37,296
Total assets	<u>\$ 307,208</u>	<u>\$ 482,204</u>	<u>\$ 389,608</u>	<u>\$ 1,179,020</u>

LIABILITIES AND FUND BALANCE

Liabilities				
Accounts payable and accrued expenses	\$ 48,312	\$ 43,141	\$ 33,935	\$ 125,387
Total liabilities	<u>48,312</u>	<u>43,141</u>	<u>33,935</u>	<u>125,387</u>
Fund balances				
Unassigned	258,896	439,063	355,673	1,053,632
Total fund balance	<u>258,896</u>	<u>439,063</u>	<u>355,673</u>	<u>1,053,632</u>
Total liabilities and fund balance	<u>\$ 307,208</u>	<u>\$ 482,204</u>	<u>\$ 389,608</u>	<u>\$ 1,179,020</u>

Memphis Business Academy Schools

High	Middle	Elementary	Total
------	--------	------------	-------

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Fund balance - governmental funds	\$ 258,896	\$ 439,063	\$ 355,673	\$ 1,053,632
<i>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</i>				
Capital assets, land	-	631,274	-	631,274
Capital assets, at cost	973,127	7,802,316	343,603	9,119,046
Accumulated depreciation	(716,102)	(1,347,314)	(131,666)	(2,195,082)
Debt related to the capital assets are not payable in the current period and therefore, is not reported in the funds	(100,466)	(4,312,820)	-	(4,413,286)
Net pension assets and deferred inflows/outflows are not payable in the current period and, therefore, are not reported in the funds	227,906	185,456	152,107	565,469
	<u>384,465</u>	<u>2,958,912</u>	<u>364,044</u>	<u>3,707,421</u>
Total net position - governmental activities	<u>\$ 643,361</u>	<u>\$ 3,397,975</u>	<u>\$ 719,717</u>	<u>\$ 4,761,053</u>

**Combining Statement of Revenues, Expenditures and Changes in
Fund Balance - Governmental Fund**

For the year ended June 30, 2016

	Governmental Fund			
	High	Middle	Elementary	Total
REVENUES				
Shelby County Schools - Board of Education	\$ 3,175,989	\$ 2,654,611	\$ 2,790,822	\$ 8,621,422
Title I funds	112,174	89,790	90,168	292,132
Operating grants and contributions	5,000	457,893	-	462,893
Other revenue	409	13,730	600	14,739
Total revenues	3,293,572	3,216,024	2,881,590	9,391,186
EXPENDITURES				
Current:				
Salaries, wages and benefits				
Instructional and student services	1,785,835	1,429,748	1,608,092	4,823,675
General and administration	600,486	493,921	184,773	1,279,180
Instructional and student services	210,503	105,832	118,544	434,879
Student services	47,141	19,643	8,909	75,693
General and administration	497,593	241,394	427,654	1,166,641
Capital Outlay:				
Current expenditures	145,230	927,171	101,711	1,174,112
Debt Service:				
Principal	12,083	241,518	-	253,601
Interest	6,175	189,002	-	195,177
Total expenditures	3,305,046	3,648,229	2,449,683	9,402,958
Excess of expenditures over revenues	(11,474)	(432,205)	431,907	(11,772)
OTHER FINANCIAL SOURCES (USES)				
Increase in long-term note payable	112,549	612,132	-	724,681
Increase (Decrease) in fund balance	101,075	179,927	431,907	712,909
Fund balance at beginning of year	208,821	188,786	(56,884)	340,723
Contributions (Draws) from Memphis Business Schools	(51,000)	70,350	(19,350)	-
Fund balance at end of year	\$ 258,896	\$ 439,063	\$ 355,673	\$ 1,053,632

Combining Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance - Governmental Fund to the Changes
in Net Position per the Statement of Activities

For the year ended June 30, 2016

	Memphis Business Academy Schools			
	High	Middle	Elementary	Total
AMOUNTS REPORTED FOR GOVERNMENTAL FUND IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:				
Net change in fund balance - governmental fund	\$ 101,075	\$ 179,927	\$ 431,907	\$ 712,909
Governmental fund report capital outlays as expenditures.				
However, in the statement of activities, purchases of property and equipment are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.				
Capital assets, land	-	75,317	-	75,317
Capital assets, at cost	145,230	851,854	136,712	1,133,796
Depreciation expense	(129,814)	(237,031)	(40,891)	(407,536)
	<u>15,618</u>	<u>690,140</u>	<u>95,821</u>	<u>801,577</u>
Governmental fund reports loan proceeds as sources of funds.				
Loan proceeds are not reported in the statement of activities	(112,549)	(612,132)	-	(724,681)
Principal payments on mortgage loan payable	12,083	241,518	-	253,601
	<u>(100,466)</u>	<u>(370,614)</u>	<u>-</u>	<u>(471,080)</u>
Contributions and changes in deferred inflows/outflows to the pension plans	(54,322)	(34,781)	(71,527)	(180,630)
Change in net position per the statement of activities	\$ (38,097)	\$ 484,672	\$ 456,201	\$ 882,776

Note 1 – Organization and business activity

Memphis Business Academy Schools (the "Schools") are public charter schools authorized by the Shelby County Schools, formerly Memphis City Schools, Board of Education. The mission of the Schools is to improve the academic achievement of students. The Schools are dedicated to the interdisciplinary teaching of mathematics, science, social studies and language arts with a focus on concepts related to business, economics and financial responsibility.

The Schools operate as Memphis Business Middle School, Memphis Business Academy High School and Memphis Business Academy Elementary School. All three schools have separate charter school filings, but have the same administration. All schools are components of Memphis Business Academy Schools (the Schools), a Tennessee nonprofit corporation.

Note 2 – Summary of significant accounting policies

Measurement focus, basis of accounting and presentation

The Schools' management prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Charges to the Shelby County Schools are recognized as revenues in the year for which they are billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Memphis Business Academy Schools reports only one fund, which is the general fund (a governmental fund).

Government-Wide and Fund Financial Statements

The statement of net assets and the statement of activities display information about Memphis Business Academy School. These statements include the financial activities of the overall government. Governmental activities generally are financed through intergovernmental revenues, and other non-exchange transactions. Memphis Business Academy School had no business-type activities during the year ended June 30, 2016.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include charges to students who purchase, use or directly benefit from goods and services provided and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Grants and other revenues not properly included among program revenues are reported instead as general revenues.

Cash equivalents

Cash equivalents are defined as short term, highly liquid investments that are both readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of changes in value because of changes in interest rates.

Note 2 – Summary of significant accounting policies (continued)

Property, equipment and depreciation

Property and equipment are recorded at cost. Expenditures for major renewals and betterments that extend the useful lives of assets are capitalized. Expenditures for normal repair and maintenance are expensed to operations as they occur. Gifts of property, when applicable, are recorded at the fair market value as of the date of the gift. Depreciation is provided through the straight-line method over the assets' estimated useful lives which range from three to thirty-nine years for furniture, equipment, books, building and improvements.

Deferred Outflows/Inflows of Resources

In accordance with GASB 64, in addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Schools have no items that meet this criterion.

Also, in addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Schools have no items that meet the criterion for this category.

Income taxes

The Schools are classified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for federal or state income taxes has been accrued in the accompanying financial statements.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan, in the Tennessee Consolidated Retirement System (TCRS) and additions to/ deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan. Investments are reported at fair value.

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Obligations

In the government-wide financial statements, debt and other obligations are reported as liabilities in the applicable governmental activities and statement of net position.

In the fund financial statements, any obligations secured by capital assets would not be reflected.

Note 4 – Line of credit

The Schools have a \$375,000 line of credit agreement with a financial institution on which it may draw upon to provide necessary working capital. Interest is calculated at a rate of 1.100 percentage points over the prime (3.250% per annum at the inception of the loan on September 28, 2015 and increased to 3.50% at December 17, 2015), adjusted if necessary for any minimum and maximum rate limitations, resulting in an initial rate of 4.35% per annum based on a year of 360 days. Interest rate will not be less than 4.350% per annum. The line matures September 28, 2016. At June 30, 2016, the Schools had drawn \$155,487 on the line that is reported on the balance sheet as a liability.

Note 5 – Reclassification

Certain amounts from prior year financial statements have been reclassified to conform to the current year's presentation.

Note 6 – Risk management

The Schools are exposed to the normal risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Schools' policy is to minimize these risks through the purchase of commercial insurance. Settled claims have not exceeded the commercial insurance coverage in the past three years.

Note 7 – Accounting for uncertainty in income taxes

The Schools adopted the Income Tax topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, which provides guidance for how uncertain income tax positions should be recognized, measured, presented and disclosed in the financial statements. The Schools is required to evaluate the income tax positions taken or expected to be taken to determine whether the positions are "more-likely-than-not" to be sustained upon examination by the applicable tax authority. The Schools has determined that the application of the Income Taxes standard does not impact the operations of the Schools and that no provision for income tax is required in the School's financial statements.

Note 8 – Concentrations of risk

Approximately 92% of the Schools' revenues for the year ended June 30, 2016 were from the Board of Education of the Shelby County Schools. Approximately 5% of the Schools' revenue for the year ended June 30, 2016 was from grants and private contributions.

The Schools maintain cash balances at three financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC insured) up to \$250,000. The Schools have not experienced any loss in such accounts. As of June 30, 2016, the uninsured balance is \$685,569.

Note 9 – Stewardship, compliance, and accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for governmental funds. A draft of the budget is created by management and the Schools board chairman. The budget is presented to the board for approval. The budget revisions are approved by the board. Shelby County Schools receives a copy of the approved budget.

Note 10 – Long-term debt

The following is a summary of notes payable at June 30, 2016:

School	Original amount	Interest Rate	Monthly principal and interest payments	Maturity	Collateral
Middle	\$ 1,752,690	5.74%	\$ 16,535	2/14/2018	Building
Middle	108,000	3.50%	772	5/22/2018	Assets
Middle	2,300,000	4.35%	14,365	10/11/2019	Building
Middle	612,132	4.50%	4,683	10/1/2020	Building
High	112,549	6.29%	1,660	7/13/2022	Bus

Activity for the year ending June 30, 2016 is as follows:

School	Original amount	Beginning Balance	Increases	Decreases	Ending Balance
Middle	\$ 1,752,690	\$1,440,106	-	\$142,260	\$1,297,846
Middle	108,000	96,279	-	5,935	90,344
Middle	2,300,000	2,250,334	-	74,357	2,175,977
Middle	612,132	-	612,132	18,966	593,166
High	112,549	-	112,549	12,083	100,466
		<u>\$3,786,719</u>	<u>\$724,681</u>	<u>\$253,601</u>	<u>\$4,257,799</u>
Less: current maturities					<u>266,666</u>
Total Long - term portion of notes payable					<u>\$ 3,991,133</u>

The following is a summary of principal maturities of long-term debt during the next five years:

For the year ended June 30,	
2017	\$ 266,666
2018	1,365,469
2019	2,071,123
2020	51,378
2021 and thereafter	<u>503,163</u>
	<u>\$ 4,257,799</u>

Note 11 – Capital assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Building	\$ 5,369,825	\$ 742,052	\$ -	\$ 6,111,877
Library books and textbooks	528,339	24,975	-	553,314
Building improvements	1,213,990	88,702	-	1,302,692
Reg. instr. equipment	405,589	121,293	-	526,882
Administration equipment	142,673	6,200	-	148,873
Furniture and equipment	225,310	-	-	225,310
Vehicles	81,503	112,549	-	194,052
Food service equipment	50,970	3,024	-	53,994
Lockers	2,052	-	-	2,052
Total capital assets, being depreciated	8,020,251	1,098,795	-	9,119,046
Less accumulated depreciation for:				
Building	\$ (287,846)	\$ (151,010)	\$ -	\$ (438,859)
Building improvements	(527,395)	(51,086)	-	(578,481)
Library books and textbooks	(391,017)	(62,714)	-	(453,731)
Reg. instr. equipment	(213,588)	(62,123)	-	(275,711)
Administration equipment	(121,069)	(10,008)	-	(131,077)
Furniture and equipment	(121,391)	(39,698)	-	(161,089)
Vehicles	(73,417)	(29,262)	-	(102,679)
Food service equipment	(49,771)	(1,635)	-	(51,403)
Lockers	(2,052)	-	-	(2,052)
Total accumulated depreciation	(1,787,546)	(407,536)	-	(2,195,082)
Capital Assets, Net	\$ 6,232,705	\$ 691,259	\$ -	\$ 6,923,964

Depreciation expense

Depreciation expense was charged to function/programs of the primary government as follows:

Plant operations	344,822
Total depreciation expense	\$ 407,536

Note 11 – Capital assets (continued)

Capital asset activity not being depreciated for the year ended June 30, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 555,957	\$ 75,317	\$ -	\$ 631,274
Total capital assets, being depreciated	<u>555,957</u>	<u>75,317</u>	<u>-</u>	<u>631,274</u>

Note 12 - General Information about the Teacher Retirement Pension Plan

Plan description. Teachers with membership in the Tennessee Consolidated Retirement System (TCRS) before July 1, 2014 of Memphis Business Academy are provided with pensions through the Teacher Retirement Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire with an unreduced benefit at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 60 and vested or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except in years when the maximum funded level, as established by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Memphis Business Academy for the year ended June 30, 2016

Note 12 – General Information about the Teacher Retirement Pension Plan (continued)

to the Teacher Retirement Plan were \$18,055 (\$13,758 Elementary, \$3,597 Middle, and \$700 High), which is 4.00 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the cost of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets) Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension liabilities (assets). At June 30, 2016, the Schools reported an asset of \$12,101 (\$4,604 Elementary, \$3,780 Middle, and \$3,717 High) for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension asset used to calculate the net pension asset was determined by an actuarial value as of that date. The Schools' proportion of the net pension asset was based on their share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Schools' proportion was 0.300792 percent (0.114442 percent Elementary, .093954 percent Middle, and .092396 percent High).

Pension expense. For the year ended June 30, 2016, the Schools recognized pension expense of \$15,858 (\$6,034 Elementary, \$4,953 Middle, and \$4,871 High).

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2016, Memphis Business Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Elementary	\$ -	\$ 1,499
Middle	-	1,230
High	-	1,210
Subtotal	<u>\$ -</u>	<u>\$ 3,939</u>
Net difference between projected and actual earnings on pension plan investments		
Elementary	\$ 372	\$ -
Middle	306	-
High	300	-
Subtotal	<u>\$ 978</u>	<u>\$ -</u>
Schools' contributions subsequent to the measurement date of June 30, 2015		
Elementary	\$ 13,758	-
Middle	3,597	-
High	10,844	-
Subtotal	<u>\$ 28,199</u>	<u>\$ -</u>
Totals		
Elementary	\$ 14,130	\$ 1,499
Middle	3,903	1,230
High	11,144	1,210
Total	<u>\$ 29,177</u>	<u>\$ 3,939</u>

Note 12 – General Information about the Teacher Retirement Pension Plan (continued)

Memphis Business Academy employer contributions of \$18,055 (\$13,758 Elementary, \$3,597 Middle, and \$700 High), reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	<u>Elementary</u>	<u>Middle</u>	<u>High</u>	<u>Total</u>
2017	\$ (32)	\$ (26)	\$ (26)	\$ (84)
2018	(32)	(26)	(26)	(84)
2019	(32)	(26)	(26)	(84)
2020	(32)	(26)	(26)	(84)
2021	(125)	(103)	(101)	(329)
Thereafter	(874)	(718)	(706)	(2,298)

Actuarial assumptions. The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, Including inflation
Cost of Living Adjustment	2.5 percent

Mortality rates are customized based on the June 30, 2012 actuarial experience study and included an adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015 actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Note 12 – General Information about the Teacher Retirement Pension Plan (continued)

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. Equity	6.00%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. fixed income	0.98%	29%
Real estate	4.73%	7%
Short-term securities	0.00%	1%
		100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all LEAs will be made at the actuarially determined contributions rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of net pension liability (asset) to changes in the discount rate. The following presents the Schools' proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Memphis Business Academy's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1 – percentage point higher (8.5 percent) than the current rate:

Schools' proportionate share of the net pension liability (asset)	Current Discount Rate (7.5%)	
	1% Decrease (6.5%)	Current Discount Rate (7.5%)
Elementary	\$ 816	\$ (4,604)
Middle	670	(3,780)
High	659	(3,717)
Total	\$ 2,145	\$ (12,101)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Note 13 – General Information about the Teacher Legacy Pension Plan

Plan description. Teachers with membership in the Tennessee Consolidated Retirement System (TCRS) before July 1, 2014 of the Schools are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Legacy Pension Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Legacy Pension Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plan of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 55 and vested. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Schools for the year ended June 30, 2016 to the Teacher Legacy Pension Plan were \$215,210 (\$71,943 Elementary, \$65,818 Middle, and \$78,049 High) which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets) Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension liabilities (assets). At June 30, 2016, The Schools reported a liability of \$25,083 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial value as of that date. The Schools' proportion of the net pension liability was based on The Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015 The Schools' proportion was .061230 percent (.017009 percent Elementary, .016638 percent Middle, and .027583 percent High). The proportion measured as of June 30, 2014 was 0.000000 for each School.

Pension expense. For the year ended June 30, 2016, The Schools High School recognized pension expense of \$109,773 (\$30,494 Elementary, \$29,829 Middle, \$49,450 High).

Note 13 - General Information about the Teacher Legacy Pension Plan (continued)

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2016, The Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Elementary	\$ 5,592	\$ 108,452
Middle	5,470	106,087
High	9,068	175,871
Subtotal	<u>\$ 20,130</u>	<u>\$ 390,410</u>
Net difference between projected and actual earnings on pension plan investments		
Elementary	\$ 125,814	\$ 170,799
Middle	123,070	167,074
High	204,025	276,976
Subtotal	<u>\$ 452,909</u>	<u>\$ 614,849</u>
Schools' contributions subsequent to the measurement date of June 30, 2015		
Elementary	71,943	-
Middle	65,818	-
High	78,049	-
Subtotal	<u>\$ 215,810</u>	<u>N/A</u>
Changes in proportion of Net Pension Liability (Asset)		
Elementary	\$ 181,882	\$ -
Middle	177,915	-
High	294,947	-
Total	<u>\$ 654,744</u>	<u>\$ -</u>
Totals		
Elementary	\$ 385,231	\$ 279,251
Middle	372,273	273,161
High	586,089	452,847
Total	<u>\$ 1,343,593</u>	<u>\$ 1,005,259</u>

The Schools' employer contributions of \$215,810 (\$71,943 Elementary, \$65,818 Middle, and \$78,049 High) reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Elementary	Middle	High	Total
2017	\$ (9,675)	\$ (9,464)	\$ (15,690)	\$ (34,829)
2018	(9,675)	(9,464)	(15,690)	(34,829)
2019	(9,675)	(9,464)	(15,690)	(34,829)
2020	47,258	46,227	76,635	170,120
2021	15,804	15,460	25,629	56,893
Thereafter	-	-	-	-

Note 13 - General Information about the Teacher Legacy Pension Plan (continued)

Actuarial assumptions. The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, Including inflation
Cost of Living Adjustment	2.5 percent

Mortality rates are customized based on the June 30, 2012 actuarial experience study and included an adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015 actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. Equity	6.00%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. fixed income	0.98%	29%
Real estate	4.73%	7%
Short-term securities	0.00%	1%
		100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all LEAs will be made at the actuarially determined contributions rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 13 - General Information about the Teacher Legacy Pension Plan (continued)

Sensitivity of the proportionate share of net pension liability (asset) to changes in the discount rate. The following presents The Schools' proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what The Schools' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1 – percentage point higher (8.5 percent) than the current rate:

	Current		
	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Schools' proportionate share of the net pension liability (asset)			
Elementary	\$ 475,030	\$ 6,968	(380,533)
Middle	464,669	6,816	(372,233)
High	770,331	11,299	(617,090)
Total	<u>\$ 1,710,030</u>	<u>\$ 25,083</u>	<u>\$ (1,369,856)</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Payable to the Pension Plan

At June 30, 2016, The Schools reported a payable of \$58,171 for the outstanding amount of contributions to the pension plans required at the year ended June 30, 2016.

Note 14 – General Information about the Non-Teacher Pension Plan

Plan description. Employees of Memphis Business Academy are provided a defined benefit plan pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by the state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of the state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members eligible to retire with an unreduced benefit at age 60 with 5 years of service or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's 5 consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with 5 years of service credit. Service related disability eligibility are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit.

Note 14 - General Information about the Non-Teacher Plan (continued)

No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contribution, plus accumulated interest.

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary. Shelby County Unified School District makes employer contributions at the rate. Shelby County Unified School District makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, the Actuarially Determined Contribution (ADC) for the Memphis Business Academy was \$188,815 (\$31,246 Elementary, \$75,405 Middle and \$82,164 High) based on a rate of 9.27 percent of covered payroll. By Law, employer contributions are required to be paid. The TCRS may intercept Memphis Business Academy's state shared Taxes if required contributions are not remitted. The employer's ADC membership contributions are expected to finance the costs of the benefits earned by the members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset). Memphis Business Academy's net pension liability (asset) was measured as of June 30, 2015, and the total pension liability (asset) to calculate net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, Including inflation
Cost of Living Adjustment	2.5 percent

Mortality rates are customized based on the June 30, 2012 actuarial experience study and included an adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015 actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Note 14 – General Information about the Non-Teacher Pension Plan (Continued)

Asset Class	Expected Real Rate of Return	Target Allocation
U.S. Equity	6.00%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. fixed income	0.98%	29%
Real estate	4.73%	7%
Short-term securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Memphis Business Academy will be made at the actuarially determined contributions rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of Memphis Business Academy calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Schools' proportionate share of the net pension liability (asset)			
Elementary	\$ 82,866	\$ (78,062)	(212,681)
Middle	203,021	(191,252)	(521,069)
High	182,305	(171,737)	(467,899)
Total	<u>\$ 468,192</u>	<u>\$ (441,051)</u>	<u>\$ (1,201,649)</u>

Negative Pension expense. For the year ended June 30, 2016, Memphis Business Academy recognized negative pension expense of \$98,688.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2016, Memphis Business academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Elementary	\$ 55,249	
Middle	135,361	
High	121,549	
Subtotal	<u>\$ -</u>	<u>\$ 312,159</u>
Net difference between projected and actual earnings on pension plan investments		
Elementary	\$ 49,557	\$ 67,756
Middle	121,414	166,003
High	109,024	149,064
Subtotal	<u>\$ 279,995</u>	<u>\$ 382,823</u>
Schools' contributions subsequent to the measurement date of June 30, 2015		
Elementary	\$ 31,246	\$ -
Middle	75,405	-
High	82,164	-
Subtotal	<u>\$ 188,815</u>	<u>N/A</u>
Totals		
Elementary	\$ 80,803	\$ 123,005
Middle	196,819	301,364
High	191,188	270,613
Total	<u>\$ 468,810</u>	<u>\$ 694,982</u>

The Schools' employer contributions of \$188,815 (\$31,246 Elementary, \$75,405 Middle, and \$82,164 High) reported a pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Amounts reported as deferred outflows of resources deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Elementary	Middle	High	Total
2017	\$ (24,009)	\$ (58,821)	\$ (52,819)	\$ (135,649)
2018	(24,009)	(58,821)	(52,819)	(135,649)
2019	(24,009)	(58,821)	(52,819)	(135,649)
2020	(1,423)	(3,487)	(3,131)	(8,041)
2021	-	-	-	-
Thereafter	-	-	-	-

Note 15 – Subsequent events

Subsequent events have been evaluated through December 13, 2016, the date the financial statements were available for issuance.

Schedule of Revenues and Expenditures – Budget and Actual – General Fund

June 30, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Shelby County Schools- Board of Education	\$ 9,608,340	\$ 8,621,422	\$ (986,918)
Title I funds	393,910	292,132	(101,778)
Operating grants and contributions	350,000	462,893	112,893
Other revenue	-	14,739	14,739
Total revenues	10,352,250	9,391,186	(961,064)
EXPENDITURES			
Current:			
Salaries, wages and benefits	6,960,464	6,228,487	(731,977)
Occupancy costs	463,500	524,379	60,879
Student services	135,000	75,693	(59,307)
Office expense	87,800	79,291	(8,509)
Depreciation	407,500	407,536	36
Professional and service fees	33,000	57,008	24,008
Insurance	193,000	120,868	(72,132)
Transportation	254,380	249,328	(5,052)
Staff development	92,566	43,400	(49,166)
Supplies	271,500	131,274	(140,226)
Other expenses	492,250	395,969	(96,281)
Debt Service:			
Principal	-	241,518	241,518
Interest	206,500	195,177	(11,323)
Total expenditures, before capital outlay	9,597,460	8,749,928	(847,532)
Excess of revenues over expenditures, before capital outlay	754,790	641,258	(113,532)
Capital outlay			
Property and equipment	754,790	1,174,112	419,322
Excess of expenditures over revenues, after capital outlay	\$ -	\$ (532,854)	\$ (532,854)

	Memphis Business Academy Schools			
	High	Middle	Elementary	Total
ASSETS				
Cash and cash equivalents	\$ 295,375	\$ 468,408	\$ 377,941	\$ 1,141,724
Accrued tuition	11,833	13,796	11,667	37,296
Net pension asset	164,155	188,216	75,698	428,069
Capital assets:				
Land	-	631,274	-	631,274
Depreciable assets, net of accumulated depreciation	257,025	6,455,002	211,937	6,923,964
Deferred outflows of resources	788,421	572,995	480,164	1,841,580
Total assets	\$1,516,809	\$ 8,329,691	\$ 1,157,407	\$ 11,003,907
LIABILITIES AND NET POSITION				
Liabilities				
Accounts payable and accrued liabilities	\$ 48,311	\$ 43,142	\$ 33,935	\$ 125,388
Line of credit	-	155,487	-	155,487
Due within one year	13,999	252,667	-	266,666
Due in more than one year	86,468	3,904,665	-	3,991,133
Total liabilities	148,778	4,355,961	33,935	4,538,674
Deferred inflows of resources	724,670	575,755	403,755	1,704,180
Net position				
Net investment in capital assets	156,558	2,773,457	211,937	3,141,952
Unrestricted	486,803	624,518	507,780	1,619,101
Total net position	643,361	3,397,975	719,717	4,761,053
Total liabilities and net position	\$1,516,809	\$ 8,329,691	\$ 1,157,407	\$ 11,003,907

Statement of Activities – High School

For the year ended June 30, 2016

Governmental Activities:	Total	Functions		
		Instructional and Student Services	General and Administration	Debt Services
Program Expenses:				
Salaries, wages and benefits	\$ 2,440,643	\$ 1,840,157	\$ 600,486	\$ -
Occupancy costs	146,184	-	146,184	-
Student services	47,141	47,141	-	-
Office expense	13,570	931	12,639	-
Depreciation	129,614	45,161	84,453	-
Professional and service fees	19,801	-	19,801	-
Insurance	109,215	-	109,215	-
Transportation	125,769	125,769	-	-
Staff development	21,965	21,965	-	-
Supplies	46,050	31,556	14,494	-
Other expenses	225,542	30,282	195,260	-
Interest	6,175	-	-	6,175
Total expenses	<u>3,331,669</u>	<u>2,142,962</u>	<u>1,182,532</u>	<u>6,175</u>
Program Revenues:				
Title I	112,174	112,174	-	-
Operating grants and contributions	5,000	-	5,000	-
Total program revenues	<u>117,174</u>	<u>112,174</u>	<u>5,000</u>	<u>-</u>
Net program expenses	<u>\$ 3,214,495</u>	<u>\$ 2,030,788</u>	<u>\$ 1,177,532</u>	<u>\$ 6,175</u>
General Revenues:				
District funding	3,175,989			
Other income	409			
Total general revenues	<u>3,176,398</u>			
Change in net assets	(38,097)			
Net position - beginning of fiscal year	732,458			
Funds transferred internally	<u>(51,000)</u>			
Net position - ending of fiscal year	<u>\$ 643,361</u>			

Statement of Activities – Middle School

For the year ended June 30, 2016

Governmental Activities:	Total	Functions		
		Instructional and Student Services	General and Administration	Debt Services
Program Expenses:				
Salaries, wages and benefits	\$ 1,958,451	\$ 1,464,530	\$ 493,921	\$ -
Occupancy costs	34,650	-	34,650	-
Student services	19,643	19,643	-	-
Office expense	54,190	966	53,224	-
Depreciation	237,031	7,151	229,880	-
Professional and service fees	21,207	-	21,207	-
Insurance	11,653	-	11,653	-
Transportation	52,849	52,849	-	-
Staff development	9,772	9,772	-	-
Supplies	31,798	21,888	9,910	-
Other expenses	131,106	20,357	110,749	-
Amortization	-	-	-	-
Interest	189,002	-	-	189,002
Total expenses	2,751,352	1,597,156	965,194	189,002
Program Revenues:				
Title I funds	89,790	89,790	-	-
Operating grants and contributions	457,893	-	457,893	-
Total program revenues	547,683	89,790	457,893	-
Net program expenses	\$ 2,203,669	\$ 1,507,366	\$ 507,301	\$ 189,002
General Revenues:				
District funding	2,654,611			
Other income	13,730			
Total general revenues	2,668,341			
Change in net assets	464,672			
Net position - beginning of fiscal year	2,862,953			
Funds transferred internally	70,350			
Net position - ending of fiscal year	\$ 3,397,975			

Statement of Activities – Elementary School

For the year ended June 30, 2016

Governmental Activities:	Total	Functions		
		Instructional and Student Services	General and Administration	Debt Services
Program Expenses:				
Salaries, wages and benefits	\$ 1,829,393	\$ 1,644,620	\$ 184,773	\$ -
Occupancy costs	343,545	-	343,545	-
Student services	8,909	8,909	-	-
Office expense	11,531	797	10,734	-
Depreciation	40,891	10,402	30,489	-
Professional and service fees	16,000	-	16,000	-
Insurance	-	-	-	-
Transportation	70,710	70,710	-	-
Staff development	11,663	11,663	-	-
Supplies	53,426	29,676	23,750	-
Other expenses	39,321	5,698	33,623	-
Interest	-	-	-	-
Total expenses	<u>2,425,389</u>	<u>1,782,475</u>	<u>642,914</u>	<u>-</u>
Program Revenues:				
Title I	90,168	90,168	-	-
Operating grants and contributions	-	-	-	-
Total program revenues	<u>90,168</u>	<u>90,168</u>	<u>-</u>	<u>-</u>
Net program expenses	<u>\$ 2,335,221</u>	<u>\$ 1,692,307</u>	<u>\$ 642,914</u>	<u>\$ -</u>
General Revenues:				
District funding	2,790,822			
Other income	600			
Total general revenues	<u>2,791,422</u>			
Change in net position	456,201			
Net position - beginning of fiscal year	282,866			
Funds transferred internally	<u>(19,350)</u>			
Net position - ending of fiscal year	<u>\$ 719,717</u>			

**Schedule of The Schools' Proportionate Share of
the Net Pension Liability (Asset)
Teacher Retirement Plan of TCRS
Fiscal Year Ended June 30**

	Elementary	Middle	High	2016
Schools' proportion of the net pension liability (asset)	0.114442%	0.093954%	0.092396%	0.300792%
Schools' proportionate share of the net pension liability (asset)	\$ (4,604)	\$ (3,780)	\$ (3,717)	\$ (12,101)
Schools' covered payroll	\$ 237,781	\$ 195,213	\$ 191,975	\$ 624,969
Schools' proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-1.94%	-1.94%	-1.94%	
Plan fiduciary net position as a percentage of the total pension liability	124.46%	127.46%	127.46%	

The amounts presented were determined as of June 30 of the prior fiscal year. This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Schedule of the Schools' Contributions
Teacher Retirement Plan of TCRS
Fiscal Year Ended June 30**

	2015	2016
Contractually required		
Elementary	\$ 5,945	13,758
Middle	4,880	3,597
High	4,799	10,844
Total	\$ 15,624	28,199
Contribution in relation to the contractually required contribution		
Elementary	\$ 9,511	13,758
Middle	7,809	3,597
High	7,679	10,844
Total	\$ 24,999	\$ 28,199
Contribution deficiency (excess)		
Elementary	\$ (3,566)	-
Middle	(2,929)	-
High	(2,880)	-
Total	\$ (9,375)	\$ -
Schools' covered payroll		
Elementary	\$ 237,781	\$ 343,950
Middle	195,213	89,925
High	191,975	271,100
Total	\$ 624,969	\$ 704,975
Contributions as a percentage of Schools' covered payroll		
Elementary	4.00%	
Middle	4.00%	
High	4.00%	

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Schedule of MBA's Proportionate Share of the Net Pension Liability**For the year ended June 30, 2016**

**Schedule of the Schools' Proportionate Share of
The Net Pension Liability (Asset)
Teacher Legacy Pension Plan of TCRS
Fiscal Year Ended June 30**

	Elementary	Middle	High	2016
Schools' proportion of the net pension liability (asset)	0.170090%	0.016638%	0.027583%	0.214311%
Schools' proportionate share of the net pension liability (asset)	\$ 6,968	\$ 6,816	\$ 11,299	\$ 25,083
Schools' covered payroll	\$ 636,749	\$ 622,860	\$ 1,032,581	\$ 2,292,190
Schools' proportionate share of the net pension liability (asset) as a percentage of its covered payroll	1.094252%	1.094252%	1.094252%	
Plan fiduciary net position as a percentage of the total pension liability	99.81%	99.81%	99.81%	

The amounts presented were determined as of June 30 of the prior fiscal year. This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Schedule of The Schools' Contributions
Teacher Legacy Pension Plan of TCRS
Fiscal Year Ended June 30**

	2015	2016
Contractually required		
Elementary	\$ 57,562	\$ 71,943
Middle	56,307	65,818
High	93,345	78,049
Total	\$ 207,214	\$ 215,810
Contribution in relation to the contractually required contribution		
Elementary	\$ 57,562	\$ 71,943
Middle	56,307	65,818
High	93,345	78,049
Total	\$ 207,214	\$ 215,810
Contribution deficiency (excess)		
Elementary	\$ -	\$ -
Middle	-	-
High	-	-
Total	\$ -	\$ -
Schools' covered payroll		
Elementary	\$ 636,749	\$ 795,830
Middle	622,860	728,075
High	1,032,581	863,374
Total	\$ 2,292,190	\$ 2,387,279
Contributions as a percentage of Schools' covered payroll		
Elementary	9.04%	
Middle	9.04%	
High	9.04%	

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Schedule of Changes in Memphis Business Academy Net Pension
Liability (Asset) and Related Ratios Based on Participation in the Public
Employee Pension Plan of TCRS
Last Fiscal Year ending June 30**

	2014	2015
Total pension liability (asset)		
Service Cost	\$ 197,906	\$ 161,817
Interest	564,921	548,004
Changes in benefit terms	-	-
Differences between actual & expected experience	(454,289)	(11,625)
Change in assumptions	-	-
Benefit payments, including refunds of employee contributions	(519,728)	(476,300)
Net change in total pension liability (asset)	(211,190)	221,896
Total pension liability (asset)-beginning	7,594,238	\$ 7,383,048
Total pension liability (asset)-ending (a)	\$ 7,383,048	\$ 7,604,944
Plan fiduciary net position		
Contributions-employer	171,288	149,415
Contributions-employee	95,857	80,605
Net investment income	1,164,048	244,441
Benefits payments, including refunds of employee contributions	(519,728)	(476,300)
Administrative expense	(2,428)	(2,183)
Other	-	4
Net change in plan fiduciary net position	\$ 909,037	\$ (4,018)
Plan fiduciary net position-beginning	\$ 7,140,974	\$ 8,050,011
Plan fiduciary net position-ending (b)	\$ 8,050,011	\$ 8,045,993
Net Pension Liability (asset)-ending (a)-(b)	\$ (666,963)	\$ (441,049)
Plan fiduciary net position as a percentage of total pension liability	109.03%	105.80%
Covered Payroll	\$ 1,906,175	\$ 1,611,816
Net pension liability (asset) as a percentage of covered payroll	-34.99%	-27.36%

The amounts presented were determined as of June 30 of the prior fiscal year. This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Schedule of The Schools' Contributions Based on Participation
in the Public Employee Pension Plan of TCRS
Fiscal Year Ended June 30**

	<u>2015</u>	<u>2016</u>
Contractually required		
Elementary	\$ 30,316	\$ 26,445
Middle	74,275	64,791
High	66,696	58,179
Total	<u>\$ 171,287</u>	<u>\$ 149,415</u>
Contribution in relation to the contractually required contribution		
Elementary	\$ 30,316	\$ 26,445
Middle	74,275	64,791
High	66,696	58,179
Total	<u>171,287</u>	<u>149,415</u>
Contribution deficiency (excess)		
Elementary	\$ -	\$ -
Middle	-	-
High	-	-
Total	<u>\$ -</u>	<u>\$ -</u>
Schools' covered payroll		
Elementary	\$ 337,376	\$ 285,277.23
Middle	826,572	698,929
High	742,228	627,610
Total	<u>\$ 1,906,176</u>	<u>\$ 1,611,816</u>
Contributions as a percentage of Schools' covered payroll		
Elementary	8.99%	9.27%
Middle	8.99%	9.27%
High	8.99%	9.27%

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

MCLEAN & ASSOCIATES, PLLC

CERTIFIED PUBLIC ACCOUNTANTS
3211 KIRBY WHITTEN PARKWAY
BARTLETT, TENNESSEE 38134

TELEPHONE 901.347.0352 • FACSIMILE 901.405.1277

WWW.MCLEANCPA.COM

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees
Memphis Business Academy Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Memphis Business Academy Schools, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Memphis Business Academy Schools' basic financial statements, and have issued our report thereon dated December 13, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Memphis Business Academy Schools' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Memphis Business Academy Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Memphis Business Academy Schools' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified no certain deficiencies in internal control that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Memphis Business Academy Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

M Yean & Associates

December 13, 2016

Schedule of Expenditures of Federal and State Financial Assistance **June 30, 2016**

Federal Grantor/ Pass-Through Grantor	CFDA Number	Contract Number	Beginning (Accrued) Deferred	Cash Receipts	Expenditures	Ending (Accrued) Deferred
<u>High School</u>						
Department of Education Pass Through Programs from: Board of Education of the Shelby County Schools - Title I reimbursement	84.010	GR0517244	\$ (26,063)	\$ 100,341	\$ (86,111)	\$ (11,833)
<u>Middle School</u>						
Department of Education Pass Through Programs from: Board of Education of the Shelby County Schools - Title I reimbursement	84.010	GR0517244	(10,375)	75,994	(79,415)	(13,796)
<u>Elementary School</u>						
Department of Education Pass Through Programs from: Board of Education of the Shelby County Schools - Title I reimbursement	84.010	GR0517244	(14,234)	78,501	(75,934)	(11,667)
Total Department of Education			\$ (50,672)	\$ 254,836	\$ (241,460)	\$ (37,296)

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the Memphis Business Academy School and is presented on the accrual basis of accounting. The information presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Attachment W: SCS 2019 Application Supplement

Shelby County's Regional Seats Analysis (RSA) lends further support to the academic challenges

facing Hickory Hill's high schools, as described above, and the need for high quality options. Overall, while the utilization analysis indicates that supply of high school seats in Hickory Hill significantly outstrips demand, the School Performance Scorecard (SPS) analysis suggests a strong need for higher quality seats. More specifically, "over half of the middle and high school seats [in the Southeast] are in schools that scored less than a 3.00 on the SPS." In Hickory Hill, the analysis shows that 56.1 percent of the high school seats are in schools that "Need Improvement," the lowest quality rating, and 79.2 percent of the seats are below the "good" quality rating. The final analysis of the Southeast region notes that the "Oakhaven/Parkway and Hickory Hill neighborhoods have the highest percentage of students in schools with an SPS rating below a 3.00 in the region."

Based on seat quality, the Regional Seat Analysis recommends creating "5,819 more seats at high schools with a 3.00+ SPS." Moreover, the report indicates that of the nine charter schools slated to open for the 2019-20 school year, only one plans to serve high school students, and it is in the Downtown/Midtown area. Establishing a high-quality charter high school could improve the quality of the seats in Hickory Hill and potentially attract students from other neighborhoods and even across district lines. Overall, the Regional Seats Analysis provides strong evidence of an academic need for high quality seats in Hickory Hill.

Given the need for a high-quality high school in Hickory Hill, MBA High School (MBAH), which we are replicating, has a score of 3.23 on the SPF. In addition, as noted in attachment R, MBAH has a strong track record for preparing students for college and career. The average score for MBA high school students on the 2018 ACT was 17.04. This average was significantly higher than the TVAAS model predicted, awarding MBA High with a level 5 TVAAS growth rating, indicating "significant evidence that the school's students made more progress than the Growth Standard." Moreover, TVAAS indicates that MBAH's students have moderately or significantly exceeded the TVAAS growth standard for the past three years for which data is available.

Students in Hickory Hill's high schools struggle to meet proficiency standards in ELA and math and graduate prepared for college. The challenges for students living in the Hickory Hill neighborhood are many. Based on the past success of our schools (see Attachment R and section 4), MBAHHHS would address Hickory Hill's fundamental demands for high quality schools and help close the gap in achievement based on race, income and zip code. MBAHHHS will enroll similar shares of students with disabilities, English Language Learners, and students who are eligible applicants for the free and reduced-price lunch program when compared to the Hickory Hill area.

Attachment X: MBA Board of Directors By-laws

Board of Directors Memphis Business Academy By-laws

Article I

General Provisions

1.1 Charter. The name of the corporation shall be the Memphis Business Academy.

1.2 Purposes. The purposes of the corporation shall be set forth in the charter granted by the

Tennessee State Board of Education and the Memphis City Schools system and as amended periodically. The Charter is hereby made a part of these By-Laws, and the powers of the Academy and of its board of directors, and all matters concerning the conduct and regulation of the affairs of the Academy, shall be subject to such provisions in regard thereto, if any as are set forth in the Charter. In the event of any inconsistency between the Charter and these By-Laws, the Charter shall be controlling. All references in these By-Laws to the Charter shall be construed to mean the charter as from time to time amended.

- 1.2 **Location.** The principal office of the Academy shall be located at 2450 Frayser Blvd., Memphis Tennessee 38127. The directors may change the location of the principal office provided that no such change shall be effective until the appropriate certificates or other documents are filed with the Tennessee State Board of Education.
- 1.3 **Fiscal Year.** Except as from time to time and/or otherwise determined by the directors of the Academy, the fiscal year of the Academy shall be the same as that of the Memphis City Schools District.
- 1.5 **Seal.** The common Seal, and until otherwise ordered and directed by the board of directors, shall be an impression upon paper bearing the name of the Academy, the date "2011", and such other device or inscription as the board of directors may determine.

Article II

Board of Directors

- 2.1 **Board Composition.** The board will be composed of four to eight members (excluding ex-officio and honorary members) who are representative of the community in which it operates. Members from the business community, education, community organizations, and non-profit organizations will be included. The board of directors may include, but will not be limited to a parent/guardian representative, interested members of the community, a faculty representative, and the Academy Principal. The Academy Principal, the faculty representative, and the parent representative, respectively, shall serve as ex-officio members without power to vote.
- 2.2 **Purpose.** The purpose of the board will be to create vision, develop policy and procedures, establish financial controls, and provide adequate oversight to ensure the mission of the school is accomplished and funds are properly accounted for and effectively spent.
- 2.3 **Powers.** The board of directors shall oversee the affairs of Memphis Business Academy Hickory Hill Middle and shall exercise all of the powers of the Academy, except as otherwise provided by law, by the Charter, or by these By-Laws. The board of directors reserves to itself alone the power (i) to purchase or sell real property, (ii) to pledge, assign, create liens on or security interests in the real or personal property of the Academy, (iii) to establish or modify investment policies, (iv) to appoint or remove the school director(s), and (vi) to delegate, from time to time, powers to the Academy director(s) in accordance with these By -Laws except as otherwise provided by law or by the Charter.
- 2.4 **Term of Office of Directors.** The term of office of directors shall be three years. Each

elected director shall hold office until such time a director dies, resigns, is removed, becomes disqualified, or until his or her successor is elected and qualified. Terms of office shall be staggered and each group shall be as nearly equal in number as possible. A director may serve for two consecutive terms and shall be eligible for reelection to the board after one-year hiatus or at the pleasure of the board, if longer terms are desired. The term of office of the Academy Director(s) as a director shall correspond with his or her tenure in that position. The term of office of the faculty representative as a director shall be two years. The term of office of the parent representative shall be two years.

2.5 Election of Directors. Directors shall be elected by the board of directors at any meeting of the board of directors elected to fill an un-expired term shall have tenure only to end of such term.

2.6 Resignation and Removal. Any director may resign by delivering a written resignation to the board chair with a copy to the principal. Such resignation shall be effective upon receipt unless it is specified to be effective at some later time. To facilitate the election of new directors, the Academy formally encourages any director intending to resign or to decline nomination at the end of his/her term, to provide notice of the director's intent before June. Any director may be removed from office with or without cause by an affirmative vote of a majority of the directors.

2.7 Vacancies. A Nominating Committee will be established to assist in filling vacant positions and to assist with the annual officer nomination process. The Nominating Committee will present to the board the names of potential board members for approval. Board members are welcome and encouraged to provide names of potential board members to the Nominating Committee. The Nominating Committee will not meet on a regular scheduled basis, but will meet as needed. Any vacancy in the board of directors may be filled by vote of a majority of the board of directors then in office

Article III ***Meetings of the Directors***

3.1 Open Meeting Law. All meetings of the full board of directors shall be conducted in accordance with Tennessee General Laws, as amended from time to time, or any successor statute. Except as otherwise permitted by the law, (i) no quorum of the board of directors shall meet in private for the purpose of deciding on or deliberating toward a decision on any matter and (ii) no executive session shall be held until (a) the board of directors shall have first convened in an open session for which notice shall have been given in accordance with law, (b) a majority of the directors at such meeting shall have voted to go into executive session, (c) the vote of each director shall have been recorded on a roll call vote and entered into the minutes, and (d) the chair (or other person presiding over the meeting) shall have cited the purpose of the executive session and shall have stated whether or not the board of directors shall reconvene after the executive session. Executive sessions may be held only for purposes permitted by Law.

3.2 Regular and Special Meetings. Regular meetings of the board of directors may be held at such times as the board of directors may determine, at least four times annually. Special

meetings may be called by the chair at any time and shall be called by the Secretary or his or her designee upon a written application of two or more voting members of the board of directors. Adequate public notice must be given in order to stay in compliance with the Sunshine Law.

3.3 Meetings. Using Communications Equipment. Unless otherwise provided by law of the Charter, directors may participate in a meeting of the board of directors by means of a conference telephone or similar communications equipment such that all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at a meeting.

3.4 Annual Meeting. The directors shall meet annually in the month of June at the principal office of the Academy or at such place, within or without the state of Tennessee, and at such time as the board of directors shall determine, except that such date shall not be a legal holiday. If the annual meeting in place thereof, and any business transacted or elections held at such meeting shall have the same force and effect as if transacted or held at the annual meeting. Notice of the annual meeting setting forth the date, time, and place of any place of any such meeting shall be mailed to all directors at the directors' usual or last known business or home address not less than seven (7) days prior to the date of the annual meeting.

3.5 Quorum. A majority of the directors then in office shall constitute a quorum, but a lesser number may, without further notice, adjourn the meeting to any other time. At any meeting of directors at which a quorum is present, the vote of a majority of those directors present shall decide any matter unless the Charter, these By-Laws, or any applicable law requires a different vote.

3.6 Notice of Meetings. Public notice of meetings shall be given as required by law. Notice of the date, time, and place of all regular and special meetings of the directors shall be given to each director by the secretary or, in case of the death, absence, incapacity or refusal of the secretary, by the chair, or one of the directors calling the meeting. Such notice shall be given to each director in person, mail, email, telephone, telegram, facsimile transmissions, or electronic mail sent to such director's usual or last known contact information at least 7 days in advance, unless shorter notice is adequate under the circumstances. Notice of any meeting of directors must be given: (i) to any director who, either before or after the meeting, delivers a written waiver of notice, executed by the director (or the director's Attorney unto authorized), which is filled with the records of the meetings; or (ii) to any director who attends the meeting and who, either prior to the meeting or at its commencement, fails to protest the lack of such a notice, except as required by law. A notice or waiver of notice need not specify the purpose of any regular or special meeting unless such purpose is (i) the amendment or repeal of any provision of the Charter or these By-Laws or (ii) the removal of a director or an officer, except as otherwise required by law, the Charter, or these By-Laws.

Article IV **Officers of the Board**

4.1 Numbers and qualifications. The officers of the academy shall be a chair, treasurer/secretary and such other officer, if any, as the board of directors, may determine.

4.2 Election and Tenure. The officers shall be elected by the board of directors at the annual meeting. Other officers, if any, may be elected by the board of directors at any time. The fact that an individual is currently serving in any office shall not create any presumption that such individual shall be nominated for such office in any subsequent year. If the office of chair or secretary/treasurer becomes vacant, the directors shall elect a successor. If any other office becomes vacant, the chair may select a successor. Except as otherwise provided by law, the Charter, or these By-Laws, the chair shall hold office until the next annual meeting of the directors or a special meeting held in lieu thereof, and thereafter until their respective successors are chosen and qualified, unless a shorter term is specified in the vote electing or appointing them.

4.3 Resignations and Removal. Any officer may resign by delivering a written resignation to the chair with a copy to the principal. Such resignation shall be effective upon receipt unless it is specified to be effective at some later time. Any officer may be removed from office with or without cause by an affirmative vote of a majority of the directors then in office. An officer may be removed for cause only after reasonable notice and an opportunity to be heard by the board of directors.

4.4 Chair. The directors shall elect a chair of the board of directors. The chair shall preside at all meetings of the board of directors. The chair shall have such other duties and powers, as the board of directors or Executive committee shall appoint all standing and special committees for any reason. The chair may call meetings of the Executive Committee and shall call such meetings at any time at the written request of two members of the Executive Committee. In the absence of the chair, the secretary/treasurer may discharge any or all of the duties of the chair.

4.5 Secretary/Treasurer. Subject to the direction and control of the board of directors, the secretary/treasurer shall have general oversight of the financial affairs of the Academy, shall provide monthly reports to the board of directors on the financial condition and affairs of the Academy, shall oversee all filings required by the State of Tennessee, the Internal Revenue Service, and any other governmental agency. The secretary/treasurer shall record and maintain records of all proceedings of the directors in a book or series or books kept for that purpose and shall give such notices of meetings of directors as are required by the Charter, these By-Laws, or by law. The secretary/treasurer shall distribute to the members of the board of directors copies of any minutes of prior meetings for approval. The secretary/treasurer shall have such other powers and duties to that office and as may be vested in that office and as by these By - Laws or by the directors. In the absence of the secretary/treasurer from any meeting of directors, a temporary secretary designated by the person presiding at the meeting shall perform the duties of the secretary/treasurer.

4.6 Other Officers. Other officers shall have such duties and powers as may be designated from time to time by the directors.

Article V

Committees

5.1 Appointment and Duties. The board of directors shall annually appoint such standing and special committees as the board may deem proper and prescribe their membership, powers, and duties. The board may appoint such other boards and committees as the board may deem necessary.

5.2 Standing Committees. Standing Committees of the board may include but are not limited to the Executive Committee, Budget & Finance, Resource Development, Curriculum & Instruction, Human Resources & Operations, Nomination, Health and Safety and Strategic Planning. Since the number of board members is limited, advisory board members and other non-board members will be invited to participate on these committees based on their areas of interest and expertise. Each Committee shall hold office for one year and until a new Committee is appointed.

5.3 Executive Committee. The Executive Committee shall consist of not less than three individuals, and may include the chair, secretary/treasurer, and CEO ex-officio. The chair shall be the chairman of the Executive Committee. A majority of the members of the Executive Committee shall have power to do all things conducive to the welfare of the Academy, which are not delegated to other committees or officers nor contrary to the bylaws or votes of the board of directors, or any applicable law. Subject to the foregoing, the Executive Committee may exercise between the meetings of the board of directors all the Powers of the board of directors except the election of officers, the selection of principal, or the amending of the bylaws.

The Executive Committee shall make reports of its actions to the board of directors.

Article VI

Memphis Business Academy Hickory Hill Middle

6.1 Selection. The Memphis Business Academy Hickory Hill Middle Chief Executive Officer shall be appointed by the board of directors and shall serve at the pleasure of the board of directors, who shall conduct an annual review of the CEO.

6.2 Duties. The CEO shall carry out the policies established by the board of directors and shall be directly responsible to the board of directors. The CEO shall have general management and responsibility over all academic and administrative operations of the Academy. The CEO shall prepare an annual budget for submission to the board.

Article VII

Comprehension and Personal Liability

7.1 Compensation. No director or officer shall receive any compensation for services rendered as a director or officer. Notwithstanding the foregoing, any director or officer may receive reasonable compensation for services rendered as an employee or subcontractor of the Academy and any director or officer may, if authorized by the chair or the board of directors, be reimbursed for necessary expenses, including travel expenses, reasonably incurred by the director or officer. Any director must make full disclosure to other members of the board for any compensation received.

Article VIII

8.1 Executive of Instruments. All contracts, deeds, leases, bonds, notes, checks, drafts, and

other instruments authorized by the board to be executed by an officer of the Academy on its behalf shall be signed by the chair or the treasurer, except as the directors may otherwise determine. Any recordable instrument affecting an interest in real estate, executed in the name of the Academy by the chair and the Treasurer shall be binding on the Academy in favor of a purchaser of other person relying in good faith on such instrument notwithstanding any inconsistent provisions of the Charter, By-Laws, resolutions or votes of the Academy.

8.2 Corporate Records. The records of all meetings of directors, the names and addresses of the directors and officers of the Academy, and the originals or attested copies of the Charter and the By-Laws of the Academy shall be kept in Tennessee at the principal's or secretary's office of the Academy, but such corporate records need not all be kept in the same office.

8.3 Guarantees and Surety Ship. The Academy shall make no contracts of guarantee or surety ship.

Article IX **Amendments**

These By-Laws may be altered, amended or repealed, or new By -Laws may adopted, by an affirmative vote of majority of directors then in office, at any meeting of the directors or special meeting of the directors; provided, however, that notice shall be given in the notice of the meeting that an alteration, amendment or repeal of the By-Laws, or that new By-Laws may be adopted, will be proposed.

Article X **Indemnification**

10.1 Generally. The Academy shall, to the extent legally permissible and only to the extent that the status of the Academy as exempt from federal income taxation under Section 501 (C) (3) of the Code is not affected thereby, indemnify each person who may serve or who has served at any time as a director, each person who may serve or has served as a director, officer, employee, or the agent of another organization, against all expenses and liabilities, including without limitation, counsel fees, judgments, fines, excise taxes, penalties and liabilities, settlement payments, reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit, or proceeding whether civil, criminal, administrative, or investigative in which an indemnified officer may become involved by reason of serving or having served in such capacity (other than a proceeding voluntarily initiated by such person unless a majority of the full board of directors authorized the proceeding), providing, that no indemnification shall be provided to such indemnified officer shall have been finally adjudicated in any proceeding (3) to have breached the indemnified officer's duty of loyalty to the Academy, (ii) not to have acted in good faith in the reasonable belief that such indemnified officer's action was in the best interest of the Academy, (iii) to have engaged in intentional misconduct or a knowing violation of law, or (iv) to have engaged in any transaction from which the indemnified officer derived an improper personal benefit. Furthermore, any compromise or settlement payment shall be approved by the Academy in the same manner as provided below for the authorization of indemnification. Any person who at the request of the Academy may serve or has served another organization or any employee benefit plan in one or more of the foregoing capacities and who shall have acted in good faith, in the reasonable belief that his or her action was in the best interests of such organization or in the best interests of the participation or

beneficiaries of such employee benefit plan, shall be deemed to have acted in such manner with respect to Academy.

10.2 Advance: Repayment. Such indemnification may, to the extent authorized by the board of directors of the Academy, include payment by the Academy of expenses, including attorneys' fees, reasonably incurred in defending a civil or criminal action or proceeding in advance of the final disposition of such action or proceeding, upon receipt of an undertaking by the indemnified officer to repay such payment if not entitled to indemnification under this Article, which undertaking may be accepted without regard to the financial ability of such indemnified officer to make repayment.

10.3 Authorization. The payment of any indemnification or advance shall be conclusively deemed authorized by the Academy approving such payment shall be wholly protected if:

(i) **Authorization.** The payment has been approved or ratified (1) by a majority vote of the directors who are not at time parties to the proceeding or (2) by a majority vote of a committee of two or more directors who are not at that time parties to the proceeding and are selected for this purpose by the full board (in which selection directors who are parties may participate); or

(ii) the action is taken in reliance upon the opinion of independent legal counsel (who may be counsel to the Academy) appointed for the purpose by vote of the directors in the manner specified in clauses (1) or (2) of subparagraph (I) or, if that manner is not possible, appointed by a majority of the directors then in office; or

(iii) the directors have otherwise acted in accordance with the standard of conduct applied to directors under the Tennessee statutes, as amended from time to time;

(iv) a court having jurisdiction shall approve the payment.

10.4 Heirs, Executors, and Administrators. The indemnification provided here under shall incur to the benefit of the heirs, executors, and administrators of any indemnified officer entitled to Indemnification hereunder.

10.5 Non-Exclusive Rights. The right of indemnification provided hereunder shall be in addition to and not exclusive of all other rights to which any person may be entitled. Nothing contained in this Article shall affect any rights to indemnification to which Academy employees, agents, directors, officers, and other persons may be entitled by contract or otherwise under law.

10.6 Adverse Amendments. No amendments or repeal of the provisions of this Article which adversely affect the right of an indemnified officer under this Article shall apply to that indemnified officer with respect to the acts of omissions of such indemnified officer that occurred at any time prior to such amendment or repeal, unless such amendment or repeal was voted for by or was made with the written consent of such indemnified officer.

10.7 Employees and Agents. The Academy may indemnify any employee or agent of the Academy to the extent authorized by the board of directors by an affirmative vote of a majority of the directors entitled to vote, to the extent legally permissible and only to the extent that the status of the Academy, as except from federal income taxation under Section 501 c (3) of the code is not affected thereby. The foregoing provisions of the Article shall apply to any indemnification of any employee or agent under this article 10.7.

Attachment Z: Original Application for MBA High School

Table of Contents

Charter Applicant Information Sheet	2
Assurances Form.....	4
Section 1 Mission and Goals	6
Section 2 Instructional Goals & Methods.....	14
Section 3 Student Evaluation.....	45
Section 4 Budget Information.....	40
Section 5 Audit & Finance.....	53
Section 6 Timetable.....	56
Section 7 Governance.....	60
Section 8 Governing Body	63
Section 9 Student Enrollment	64
Section 10 Code of Behavior/Discipline	68
Section 11 Health & Safety.....	77
Section 12 Employee Qualifications	79
Section 13 Sponsoring Entity.....	83
Section 14 Deposit/Investment Idle Funds.....	86
Section 15 Management/Administration.....	88
Section 16 By-Laws.....	91
Section 17 Assurances.....	100
Section 18 Insurance.....	101
Section 19 Transportation.....	103
Section 20 Financing Commitments.....	103
Section 21 Facility.....	104
References	105

Appendix

Attachment A Budget
Attachment B Board Member Resumes
Attachment C Memphis Business Academy, Inc. 501(C)(3) documentation
Attachment D Insurance
Attachment E Facility
Attachment F Sponsoring Board Resumes
Attachment G Executive Director Resume

Charter Applicant Information Sheet

Please type on this form or use a computer to generate the required information.

Name of Proposed Public Charter School

Memphis Business Academy High School (MBAHS)

Proposed School Address (if known)

2450 Frayser Blvd., Memphis, TN 38127

City, County, and School System in which Proposed School is Located

Memphis, Shelby County, Memphis City School System

Legal Name of Group (Sponsor) Applying for Charter

Memphis Business Academy, Inc.

Primary Contact Person Anthony Anderson

Address 2450 Frayser Blvd.

City Memphis **State** TN **Zip** 38127

Daytime Telephone (901) 412-0465 **Fax** (901) 380-8179

Email Address anderson1906@bellsouth.net

Type of Charter School

Check the type of charter school being proposed:

- | | |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | A school that provides alternatives for students in schools failing to make adequate yearly progress as determined by the state's accountability system. |
| <input type="checkbox"/> | A school designed to address the needs of students with special needs as specified by IDEA. |
| <input type="checkbox"/> | A school that provides local school systems with the opportunity to collaborate with Tennessee's public teacher training institutions. |

Proposed Grade Levels & Total Student Enrollment

	Grade Levels	Total Student Enrollment
Year One	9	75
Year Two	9,10	150
Year Three	9,10,11	225
Year Four	9,10,11,12	300
Year Five	9,10,11,12	300

Ultimately, once all grade spans have been added, what is the proposed grade configuration of the school? 9-12

Brief description of the proposed school's mission (2-3 sentences):

The mission of the Memphis Business Academy High School (MBAHS) is to improve the academic achievement of high school students from the North Memphis/Frayser area and to help them to develop the knowledge, skills, and dispositions that will enable them to be successful in college and beyond. The Academy will be dedicated to the high quality teaching of mathematics, science, social studies, and language arts with a focus on issues related to business, entrepreneurship, and financial responsibility. Through the implementation of innovative and effective instructional models, the school will meet state and national standards while developing independent and critical thinkers who possess the communication skills and quantitative literacy necessary to pursue post-secondary education as well as future careers in business.

Signature of Primary Contact Person

_____ **Date** _____

As the authorized representative of the sponsor, I hereby certify that the information submitted in this application for a charter for **Memphis Business Academy High School** to be located at **2450 Frayser Blvd., Memphis, TN 38127** is true to the best of my knowledge and belief; and further I understand that, if awarded a charter, the school:

1. will operate as a public, nonsectarian, non-religious public school, with control of instruction vested in the governing body of the school under the general supervision of the chartering authority and in compliance with the charter agreement and the charter school act;
2. will meet the same performance standards and requirements adopted by the state board of education for public schools;
3. will provide special education services for students as provided in Title 49, Chapter 10;
4. will follow all federal and state laws and constitutional provisions prohibiting discrimination on the basis of disability, race, creed, color, national origin, religion, ancestry, or need for special education services;
5. will follow any federal and state court orders in place in the local school district;
6. will comply with federal and state applicable health and safety standards;
7. will not be a conversion of any private, parochial, cyber-based, or home-based school;
8. will not be a cyber-based school;
9. (if conversion school) will demonstrate that parents of sixty percent of the children enrolled at a public school or sixty percent of the teachers assigned to the school have consented their support to conversion (please provide petitions as attachment);
10. will open to bid all contracts for goods and services in excess of five thousand dollars (\$5,000);
11. will be subject to the provisions of Tenn. Code Ann. §12-4-101 and 12-4-102 with regard to conflicts of interest;
12. will deem meetings of the governing body as public business and be held in compliance with Title 8, Chapter 44, Part 1;
13. will employ individuals to teach who hold a license to teach in a public school in Tennessee or meet the minimum requirements for licensure as defined by the state board of education;
14. will follow state audit procedures and audit requirements;

15. will not charge tuition, unless the governing body of the charter school approves a transfer from another district to a public charter school in its district pursuant to the provisions of Tenn. Code Ann. §49-6-3003;
16. will operate on a July 1 to June 30 fiscal year and will adopt and operate under an annual budget for such fiscal year;
17. will prepare a budget in the same format as that required by the state department of education for local education agencies;
18. will maintain its accounts and records in accordance with generally accepted accounting principles and in conformance with the uniform chart of accounts and accounting requirements prescribed by the comptroller of the treasury;
19. will prepare and publish an annual financial report that encompasses all funds and includes the audited financial statements of the charter school;
20. will require any member of the governing body, employee, officer or other authorized person who receives funds, has access to funds, or has authority to make expenditures from funds, to give a surety bond in the form prescribed by Tenn. Code Ann. §8-19-101;
21. will at all times maintain all necessary and appropriate insurance coverage;
22. will be non-religious in its programs, admissions policies, governance, employment practices and all other operations, and its curriculum will be completely secular;
23. will adhere to all provisions of federal law relating to students who are limited English proficient (LEP), including Title VI of the Civil Rights Act of 1964 and the Equal Educational Opportunities Act of 1974, that are applicable to it;
24. will follow any and all federal, state, and local laws and regulations that pertain to the applicant or the operation of the charter school;

Name of Authorized Signer (Print or type)

Chairman, Board of Directors, Memphis Business Academy, Inc.

Title of Authorized Signer

Signature

Date

Section 1 – Provide a statement defining the mission and goals of the proposed public charter school.

Explain the mission of your proposed public charter school. Provide a clear and concise statement that defines the purposes and nature of the school. Your mission statement should in one or two sentences indicate what the school intends to do, for whom, and to what degree. Explain the need for this particular school in the community it will serve and the target student population. State the goals for the proposed school. Specify in clear and measurable terms what you hope to accomplish in the areas of (1) academic performance, (2) organization performance, and (3) other school-specific goals.

MISSION

The mission of the Memphis Business Academy High School (MBAHS) is to improve the academic achievement of high school students from the North Memphis/Frayser area and to help them to develop the knowledge, skills, and dispositions that will enable them to be successful in college and beyond. The Academy will be dedicated to the high quality teaching of mathematics, science, social studies, and language arts with a focus on issues related to business, entrepreneurship, and financial responsibility. Through the implementation of innovative and effective instructional models, the school will meet state and national standards while developing independent and critical thinkers who possess the communication skills and quantitative literacy necessary to pursue post-secondary education as well as future careers in business.

The mission of the Memphis Business Academy High School is consistent in many ways with the mission and goals of the Memphis City Schools as well as the purposes of the Tennessee Public Charter Schools Act of 2002. The mission of the Memphis City Schools involves a focus on academic achievement (Academic Achievement: Number 1). Similarly, the Memphis Business Academy High School will focus on high academic achievement as its primary goal. Moreover, this academic achievement will be facilitated through the school's use of innovative instructional and curricular models (described in Section 2). As such, the Memphis Business Academy High School will fulfill one of the key purposes of the Tennessee Charter Schools Act—“to encourage the use of different and innovative teaching methods.”

TARGET DEMOGRAPHICS

According to the 2000 census, the 38127 zip code area includes 51,145 individuals.

The predominant racial group is black/African American with 36,849 individuals or 72%. An additional 13,720 (26%) are white. The remaining 2% are American Indian, Pacific Islander, or Asian. Youth under 18 years old represent 18,292 or 36% of the total population.

COMMUNITY NEED

Another purpose of the Tennessee Charter Schools Act is to “provide options for parents to meet educational needs of students in low performing schools.” By virtue of its location in the Frayser area, the Memphis Business Academy High School is positioned to offer a viable alternative to families whose children are currently enrolled in local schools that are failing to make adequate yearly progress. Specifically, MBAHS could potentially enroll students from any of the following high priority schools in the 38127 zip code: Frayser Middle/High, Trezevant Middle/High, or Westside High. Thus, the first part of the MBAHS mission—to help improve the academic achievement of students in the North Memphis/Frayser area—clearly responds to a community need.

The Memphis Business Academy High School will also provide another high school option for students currently enrolled in the Memphis Business Academy Middle School. Insofar as the majority of the students attending MBA Middle live in the Frayser or Raleigh areas, the MBAHS will continue to provide options for students from this geographic area. It will also provide options for students enrolled in other charter middle schools. There is currently no charter high school on the north side of Memphis. MBAHS will allow other students currently enrolled in charter middle schools to continue in a charter school for high school.

The mission of the MBAHS also integrates the themes of business, entrepreneurship, and financial responsibility. We view this focus as important for two primary reasons. On a practical level, it will serve to increase students’ financial literacy. The need to arm students with financial knowledge is demonstrated in a report by the MemphisDEBT Collaborative (2004). The Collaborative asserts that the disproportionate numbers of bankruptcies, foreclosures, and predatory lending institutions in the Mid-South are the “all-too-familiar symptoms in Memphis and Shelby County of a root problem for too many of our citizens and especially those living below or near the poverty level: financial illiteracy. For decades, this lack of knowledge has acted as an anchor dragging on the general welfare of our community” (p. 5). Moreover, these symptoms are more profoundly felt in the area of the city served by the MBAHS. The MemphisDEBT Collaborative reported in 2004 that the 38127 zip code was one of the five

Memphis areas hardest hit by these financial problems. “These areas have the highest numbers of foreclosures, bankruptcies, and alternative financial institutions, all of which can have a devastating effect on a neighborhood and community” (p. 7). Thus, the focus of the MBAHS is intended to meet a practical need in the community for greater knowledge of financial processes.

In addition to meeting more immediate practical needs by providing students with financial literacy, the broader goal of the Memphis Business Academy High School is to have a long-term impact on the North Memphis/Frayser community by preparing students to be successful in higher education, the business sector, and society. By focusing on entrepreneurship, economics and financial responsibility, the school’s mission is to prepare students in a way that will allow them to take on roles as independent business owners or as productive members of a larger business organization. According to the MemphisDEBT Collaborative, “a significant portion of our local economy is based on jobs in the service, distribution, and tourism industries. These types of jobs typically are lower-paying and carry few benefits, leaving individuals on the razor’s edge of poor financial health” (p. 8). The intent of the Memphis Business Academy High School is to open up career options for students other than these types of low-paying jobs. Unlike traditional vocational education, the focus on business is not to prepare students for a particular occupation. Rather, the goal is to help students develop the skills and dispositions that would allow them to choose the career option to which they are best suited. Preparing students to make these choices requires an academically rigorous curriculum. This, too, distinguishes the program of Memphis Business Academy High School from traditional vocational education. Whereas traditional vocational education has often served as a means to track poor and minority students out of a college preparatory curriculum (Oakes, 1985), the program of the Memphis Business Academy High School will have a strong academic focus. In fact, we believe that the goal of helping students position themselves to have future career options requires that they be prepared to enter and succeed in college. Moreover, we believe that by preparing students to become productive contributors to the local economy the Memphis Business Academy High School will be positioned to have a significant positive impact on the North Memphis/Frayser community.

GOALS

The goals of the Memphis Business Academy High School are as follows:

- To prepare students to be academically successful in postsecondary education.
- To ensure that the school makes adequate yearly progress, as outlined in state and federal guidelines.

-
- To provide additional academic support for all students who are not yet meeting achievement benchmarks.
 - To provide teachers with ongoing, high-quality professional development on subject matter content and culturally relevant pedagogy.
 - To establish a positive school environment that meets the social and emotional needs of students and faculty.
 - To grow partnerships with families and the community to support students' academic success.
 - To maintain high levels of organizational accountability in the areas of student academic achievement, faculty performance, and fiscal management.

The table on the next page shows both the outcome measures that will be used to assess progress toward these goals and the alignment of these goals with those of the Memphis City Schools.

Charter School Application
Section 1, Mission and Goals

Memphis Business Academy High School

MBAHS Goal	Measures	MCS Goal
1. To prepare students to be academically successful in postsecondary education.	<ul style="list-style-type: none"> a. The Memphis Business Academy High School will maintain a graduation rate of at least 95%. b. 95% of students who matriculate from MBAHS will be eligible to enroll in a postsecondary institution. 	Goal #1 – Student Achievement
2. To ensure that the school makes adequate yearly progress, as outlined in state and federal guidelines	<ul style="list-style-type: none"> a. For the first two years of operation, at least 93% of students will score at the proficient level for reading/language arts. Eighty-three percent will score at the proficient level for mathematics. b. For the next three years, at least 97% of students will score at the proficient level or above in reading/language arts and 91% in mathematics. Moreover, students in each of the relevant subgroups will meet the respective achievement levels. 	Goal #1 – Student Achievement
3. To provide additional academic support for all students who are not yet meeting	There will be 100% participation in academic support programs for all students not meeting school and district expectations for achievement	Goal #1 – Student Achievement

Charter School Application
Section 1, Mission and Goals

Memphis Business Academy High School

achievement benchmarks		
4. To establish a positive school environment that meets the social and emotional needs of students and faculty	<ul style="list-style-type: none"> i. Student attendance rates will be at least 94% j. There will be low rates of teacher absences. c. Rates of teacher and student turnover will be below district averages d. Incidents of school violence will be below district averages e. Suspension and expulsion rates will be below district averages 	<p>Goal #4 – Healthy Youth Development</p> <p>Goal #5 – Safety</p>
5. To provide teachers with ongoing, high-quality professional development on subject matter content and culturally relevant	<ul style="list-style-type: none"> q. Evaluations of professional development will indicate high levels of teacher satisfaction r. Over 60 hours of teacher professional development will be offered annually s. All teacher training will reflect the characteristics of high-quality professional development outlined in recent research reports (Campbell, Bowden, Kramer, & Yakimowski, 2003; Garet, Porter, Desimone, Birman, & Yoon, 2001) 	<p>Goal #2 – Accountability</p> <p>Goal #6 – Diversity</p>

Charter School Application
Section 1, Mission and Goals

Memphis Business Academy High School

pedago gy		
6. To grow partners hips with families and the commu nity to support student s' academ ic success	<p>a. At least 30 hours of parental involvement and development activities will be provided each year</p> <p>b. During the first year of operation, at least 100 hours of volunteer tutoring will be provided to students through partnerships with community organizations or universities. For each subsequent year of operation, this number will increase.</p>	Goal #3 – Parent and community involvement
7. To maintai n high levels of organiz ational account ability in the areas of student academ ic achieve ment, faculty perform ance, and fiscal manage ment	Annual accountability reports will be provided to the MBAHS Board consisting of information on student achievement, teacher evaluations, and financial status reports.	Goal # 5 – Accountability

JUSTIFICATION OF APPROACH

As noted above, a primary component of the school's mission and first on its list of goals is preparing students for success in postsecondary education. Thus, an immediate goal of the Memphis Business Academy High School is ensuring high student achievement. Using the results of multiple research studies, the Board of the Memphis Business Academy High School has identified several of the key features of schools that have been successful in raising student achievement. These features are embedded in the sub-goals of the Memphis Business Academy High School and provide the support structure necessary to help prepare students to be successful academically. These features include: active, in-depth learning that is connected to the real world; communal organization; involvement of parents and the community; and high quality professional development for teachers.

Student Learning

[The academic features of schools that have been successful in raising student achievement are described in greater detail in Section 2. However, these characteristics are briefly summarized here.]

Several studies of successful programs and schools have demonstrated the effectiveness of academic work that is complex, involves active learning and higher-order thinking, and allows students to connect across subjects and to the wider society (Boaler, 1997; Darling-Hammond, 1997; Knapp, Shields, & Turnbull, 1995; Lee, Smith, & Croninger, 1997; MacIver, MacIver, Balfanz, Plank, & Ruby, 2000; Malloy, 2000; Newmann, Marks, & Gamoran, 1996; Smith, Stiff, & Petree, 2000). According to Tharp et al. (2000), "there is clear consensus among researchers that all students...require instruction that is cognitively challenging; that is, that requires thinking and analysis, not only rote, repetitive, detail-level drills...When they learn how to engage in sustained, disciplined, critical thought on topics relevant beyond school; then there will be achievement gains for all students" (p. 20). Thus, a key component of the MBAHS strategy for raising student achievement is creating learning experiences that are active, complex, and relevant beyond school. In order to ensure that all students are able to engage fully with these challenging activities, additional academic support will be provided to those students who need it.

Communal Organization

Another characteristic of successful schools is a communal organization (Darling-Hammond, 1997; Lee & Smith, 1997; Lee et al., 1997; MacIver et al., 2000). According to Darling-Hammond (1997), "evidence shows that better outcomes are achieved by 'personal-communal' school models: smaller schools fostering common learning experiences; opportunities for cooperative work and continual relationships; and greater participation of parents, teachers, and students" (p. 135). In particular, large-scale studies of school restructuring have indicated that student achievement is higher and more equitably distributed in small schools (Lee & Smith, 1993; Lee & Smith, 1995; Lee et al., 1997). As a result, the Board of the Memphis Business Academy High School is committed to maintaining a small school

(maximum capacity will be 300 students). However, researchers make clear that it is not small school size, in and of itself, that makes a difference in student achievement. Rather, small size is important for the other characteristics that are facilitated by smaller numbers of students and teachers (Lee & Smith, 1995; Lee & Smith, 1996). In particular, small school size supports the establishment of a common mission and a shared ethos (Darling-Hammond, 1997). Teachers in such schools take collective responsibility for student learning. “Teachers share responsibility for students’ academic success, exchange information, and coordinate efforts among classrooms and across grades” (Lee, Smith, and Croninger, 1997, p. 130). In turn, this sense of collective responsibility for student success is associated with higher student achievement and achievement that is more equitably distributed (Bryk, Lee, & Holland, 1993; Gutierrez, 1995; Lee & Smith, 1996). While small school size does not guarantee the establishment of collective responsibility, it does facilitate the relationships between teachers that are necessary for such shared responsibility to develop. Our experience with the Memphis Business Academy Middle School points to the potential benefits for teachers and students of small school size and collective responsibility. It is on the basis of both our experiences with the MBA Middle School and prior research conducted elsewhere that we are committed to maintaining a small school model.

In addition, small school size makes easier the development of close, sustained relationships between teachers and students. “Teachers’ connections to and understanding of their students help those students develop the commitment and capacity to surmount the hurdles that accompany ambitious learning. Key to teacher-student connections are continuing relationships and mutual respect, conditions best supposed in small school units” (Darling-Hammond, 1997). These close relationships are facilitated when teachers are able to work with smaller numbers of students. Class size at MBAHS will never exceed 20 students per class and will most often be 17 students or less. As such, each teacher will work with a maximum of 80 to 85 students per day. Thus, greater opportunities will exist for the development of strong teacher-student relationships than would likely be the case in a larger high school environment.

As noted above, communal organization is associated with higher and more equitably distributed achievement. In this way, the Board views communal organization as a strategy to support student achievement. However, it is also a means to create a more positive school environment, one that meets the social and emotional needs of students and teachers. For, research has pointed to other benefits of communally organized schools that go beyond achievement. Bryk, Lee, and Holland (1993), for example, found that student engagement and teacher commitment were stronger in communally organized schools. Further, students in communally organized schools are less likely to cut classes, be disorderly, be truant, and drop out.

Family and Community Involvement

According to Darling-Hammond (1997), one of the principles of successful schools is family involvement. In effective schools, “faculties build parent support for and understanding of classroom work through frequent parent conferences, reviews and displays of students’ work, and involvement in classroom activities and school workshops, all of which include parents in their children’s development and the work of the school” (p. 145). Similarly, MacIver et al. (2000) describe school-family-community partnerships as one of the key supports for student success. At MBAHS, such connections to students’ families will be provided through more traditional parent-teacher conferences as well as regular student presentations of their work to families and the community. In addition, connections will be made between the family and school through a series of parental involvement and development sessions. A portion of these workshops and activities will focus on ways that parents can support student success. Others will provide assistance to parents in the form of financial education and counseling. As a result of the feeder relationship, family involvement at MBAHS will also build upon the relationships developed at MBA Middle. MBAHS will provide structured opportunities for already engaged families to continue their involvement as students matriculate from middle to high school.

In addition, the community will be involved in the school through the tutoring program. One-on-one or small group tutoring will be conducted during the school day and after school. Tutors will include professional educators, parent and community volunteers, and pre-service teachers from the University of Memphis. Volunteer tutors will attend tutor training in order to learn how to accurately diagnose and address student misconceptions and learning difficulties. The tutoring program is one means of involving the community in the life of the school while providing students with the extra academic support necessary to increase student achievement. It is one of the goals of the MBAHS Board to ensure that all students in need of such support will be provided with access to tutoring.

Professional Development

Professional development for teachers is another important component of the plan of the MBAHS and is intended to provide several different benefits for both teachers and students. In particular, professional development for teachers has been demonstrated to enhance instructional practices and lead to increases in student achievement (Campbell & Langrall, 1993; Carpenter, Fennema, Peterson, Chiang, & Loef, 1989; Loucks-Horsley, Hewson, Love, & Stiles, 1998; Silver, Smith, & Nelson, 1995). However, not all forms of professional development are equally effective. For this reason, the Board of the MBAHS is committed to providing teacher enhancement that meets the criteria for highly effective professional development revealed in recent research studies. In particular, Garet and associates (2001) found in a study of over 1,000 teachers that professional development is more likely to result in enhanced knowledge and skills if it is: sustained and intensive, focused on academic work (content), provides teachers opportunities for “hands-on” work (active learning), and is integrated into the daily life of the school (coherence). Similar results on the characteristics of effective

professional development were found in a large-scale reform effort involving the Baltimore Public Schools (Campbell et al., 2003). The Board of the MBAHS views high quality professional development as key to the success of the school. As such, the Board is committed to establishing a coherent professional development program for teachers that will be: on-going and intensive, focused on developing teachers' content and pedagogical knowledge, and closely tied to the curriculum and instruction of the school. Moreover, the professional development offered to teachers must model the practices that teachers will use with students. In particular, it must be highly collaborative and involve active learning.

Yet, the professional development provided to teachers must also be multi-faceted. While it must address teachers' knowledge and skills related to the content, it must also prepare teachers to work effectively with an increasingly diverse student population. As such, a key component of the MBAHS professional development approach will include attention to culturally relevant pedagogy (Ladson-Billings, 1994). While many of the features of culturally relevant teaching overlap with the instructional and organizational features previously described, one of the "missing pieces" that culturally relevant pedagogy provides is explicit attention to and valuing of student culture. Culturally relevant teachers are connected with the community and understand the "funds of knowledge" that students bring with them to school. Such teachers are able to build upon students' cultural patterns and understandings and use them to help students make connections to new content (Ladson-Billings, 1994; MacIver et al., 2000; Tharp et al., 2000). The characteristics of culturally relevant teachers were distilled from observation of highly effective teachers—teachers whose students experienced high levels of academic success. For this reason, helping teachers to understand and practice culturally relevant pedagogy will be one of the primary goals of the professional development program of MBAHS and is likely to support the goal of increased academic achievement for students.

In summary, the primary goal of the Memphis Business Academy High School is to prepare students to be academically successful in postsecondary education by raising student achievement and developing students' problem solving capacity. Based on the results of research, the Board of the MBAHS has designed a school with the following features intended to provide the conditions necessary for meeting these goals: (1) active, in-depth learning; (2) communal organization; (3) parental and community support; and (4) high-quality professional development.

Section 2, Instructional Goals and Methods

Section 2 – Detail the proposed instructional goals and methods for the school, which, at a minimum, shall include teaching and classroom instruction methods that will be used to provide students with the knowledge, proficiency, and skills needed to reach the goals of the school. Provide a general description of the teaching and classroom instruction methods that will be used by the proposed school. Explain the theory and research base supporting these approaches to educating the target population. Describe the school's curriculum by summarizing the levels of knowledge, proficiency, and skill expected to be achieved by students in core subject areas at each grade level. Demonstrate how the school's curriculum meets state content standards. Explain how your school will educate children with special needs. Provide details about how limited English proficient learners, disabled students, and at-risk students will benefit from your proposed teaching and classroom instruction methods.

GENERAL DESCRIPTION

As previously stated, the focus of the Memphis Business Academy High School will be on business, entrepreneurship, and financial responsibility. This theme will serve as a bridge to connect multiple content areas. Teachers will return frequently to the question of how the content being studied might be applied in the business sector. In addition, interdisciplinary units will allow students to see how the business/entrepreneurial enterprise could involve all of the various subject areas. The importance of each of the subject areas to business and entrepreneurship will be further cemented through visits to the school by local businesspersons and field trips to local businesses for job shadowing and other activities. Each week a member of the business community from the Memphis area will come to the school to make a presentation to the students on a particular topic. This feature of the business program has been a popular and successful activity at the Memphis Business Academy Middle School for the past three years. We plan to continue this component of the program at the high school level.

This effort to connect academic content to business and entrepreneurship serves multiple purposes. On the one hand, the intent is to increase students' financial literacy and to expose students to alternative career options. While it is not expected that all graduates of the school will go on to become entrepreneurs, the experiences that they have in learning about the various aspects of entrepreneurship will begin to prepare them to move into a variety of business-related careers.

A second purpose of the business/entrepreneurial focus is more immediately tied to student learning in the content areas. As described in the previous section, research has demonstrated that student achievement is higher when students have the opportunities to engage in active learning of complex ideas with real-world connections. As a result, one of the goals of centering the school around business and entrepreneurship is to make academic work more "authentic." Traditionally, the academic work that students do in school has only vaguely resembled the

Section 2, Instructional Goals and Methods

kind of intellectual activity engaged in by professionals outside of school. In an effort to determine what a closer alignment between the two spheres might look like, Newmann, Marks, and Gamoran (1996) considered examples of authentic intellectual accomplishment on the part of “successful scientists, musicians, entrepreneurs, politicians, craftspeople, attorneys, novelists, nurses, and designers” (p. 282). Using the criteria of mastery demonstrated by these persons as the basis of their framework, Newmann et al. identified three characteristics of instruction that can promote more authentic intellectual activity in schools. These criteria include: *construction of knowledge*, *disciplined inquiry*, and *value beyond school*. Instruction that reflects these activities is described by Newmann and colleagues as “authentic pedagogy.”

In contrast to the simple reproduction of knowledge that is expected of students in traditional schools, a school grounded in authentic pedagogy would engage students in the types of active knowledge construction activities encountered by persons in the careers and professions listed above (Newmann et al., 1996). Students in a school characterized by authentic pedagogy would work to solve problems and create products rather than simply identifying or recalling the discourse, objects, and performances of others.

A second feature of authentic pedagogy is “reliance on a particular type of cognitive work: disciplined inquiry such as that necessary for the production of high-quality scientific research, investigative journalism, fiction, or urban planning” (Newmann et al., 1996, p. 283). Such disciplined inquiry involves study of complex ideas and is characterized by: using a knowledge base from one or more fields, striving for in-depth understanding, and expressing conclusions through elaborated communication. Facts, vocabularies, concepts, theories, and algorithms would not be static bits of knowledge, but would be used by students in the course of inquiry. Rather than a superficial awareness of a number of topics, disciplined inquiry would involve the development of in-depth understanding of one problem and of the relationships between the pieces of knowledge that can serve in the investigation of that problem. Finally, both the process of problem solving and the results of that activity require communication. Like members of the professions, students would engage in complex communication of various forms in order to conduct their inquiry and report their conclusions.

A third feature of authentic pedagogy is that achievement is valuable for students beyond simply documenting their competence as a learner (Newmann et al., 1996). Students recognize that what they are learning is worthwhile for their own lives. Thus, teachers in classrooms characterized by authentic pedagogy would involve students in experiential projects and problem-solving activities that foster higher-order thinking, substantive conversation, deep knowledge, and connections to the world beyond the classroom (Newmann et al., 1996). A student in such a classroom would engage in manipulating, analyzing, and synthesizing information. During this process they would be involved in extended conversations with the

Section 2, Instructional Goals and Methods

teacher and their peers about the problem that they were solving or the topic under investigation. The instructional process would focus on exploring connections and relationships in order to deepen students' understanding of the topic. And these connections would include those to the outside world. Darling-Hammond (1997) provides an example of what this would involve:

Schools that teach for understanding engage students in doing the work of writers, scientists, mathematicians, musicians, sculptors, and critics in context as realistic as possible...To engage students in critical thinking and production, tasks should represent real performances in the field of study (not bite-sized pieces of work that are several steps removed from an actual performance); for example, students can design, conduct, and analyze an experiment rather than just list the steps of the scientific method; write or interpret a piece of literature rather than merely identify the topic sentence in a paragraph; develop and test a hypothesis rather than complete a canned laboratory experiment. Students can keep a garden and observe the results; raise animals and study their growth; conduct research about local environmental conditions; write and produce a newspaper from a historical era; develop and argue a famous case in moot court; build a house to scale; or mount an artistic performance. (p. 108)

One of the primary instructional goals of the Memphis Business Academy High School will be to establish this kind of authentic pedagogy. Evidence suggests that the long-term benefits of this approach will include increased student achievement. In fact, the results of research on this form of pedagogy indicate that authentic instruction is associated with higher achievement for all students (Newmann et al., 1996). Moreover, other studies have also shown similar kinds of real-world problem solving activities to be connected to increased student achievement (Boaler, 1997; Smith, Stiff, & Petree, 2000). Thus, our intent in implementing authentic instruction is to increase not only student engagement, but also student achievement.

INSTRUCTIONAL METHODS

Tharp et al. (2000) provide a vision of a classroom engaged in authentic instruction. "Teachers and students are working together, on real products, real problems. Activities are rich in language, with teachers developing students' capacity to speak, read, and write English and the special languages of mathematics, science, humanities, and art. They teach the curriculum through meaningful activities that relate to the students' lives and experiences...Teachers challenge students to think in complex ways and to apply their learning to solving meaningful problems. Teachers and students converse; the basic teaching interaction is conversation, not lecture...Students have systematic opportunities to work with all other classmates." (p. 8). Classrooms that engage in the type of active, in-depth learning depicted in this excerpt are characterized by the following features:

Section 2, Instructional Goals and Methods

- **Joint productive activity** – Teachers and students work together on a common product. This is more than simply “cooperative” learning, as it requires collaboration of the type employed by professionals in real world contexts. Students must have the opportunity to converse about their work and engage in interactive problem solving.
- **Authentic tasks** – Learning is focused around contextualized tasks or thematic units that connect both across content areas and to the real world.
- **Development of language and literacy across the curriculum** – As students engage in tasks that integrate content areas, they have the opportunity to develop competence in the language and literacy of the academic disciplines through extended reading, writing, and speaking activities.
- **Teaching through conversation** – Instruction is dialogical, rather than didactic, and involves goal-oriented conversations between teacher and students.
- **Focus on complex thinking** – Complex thinking is developed through challenging activities requiring the application of content knowledge.

Thus, an observer entering a classroom at MBAHS would not expect to see teacher-centered instructional practices. There would be few cases in which the teacher would be observed standing at the chalkboard giving a lecture while students take notes. Rather, an observer in an MBAHS classroom would be more likely to see small groups of students working at tables around the room. Each group might be working at a slightly different task. But each task would be related to the same authentic problem theme or larger question. One group might be working at the classroom computers, looking up information on the Internet related to the project at hand. Another group might be designing and conducting a science experiment at a table in a corner of the room. A third group might be reading and summarizing a series of newspaper articles related to their project, while a fourth group works with graphing calculators to produce a scatterplot of data. In each group, the students would be working together to answer a question, solve a problem, or produce a product. They would be engaged in complex problem-solving that involves making conjectures, discussing possibilities, sharing strategies, synthesizing information from different sources, analyzing the likelihood of different events, debating the best course of action, etc. In the midst of this collaborative group work, the teacher would circulate from group to group, listening to students’ thinking and posing key questions to help students develop target concepts. Near the end of the class period, the teacher would likely have the groups come back together to share and discuss what they have learned. To the novice observer, the class might appear chaotic. However, the tasks are, in fact, well-designed and thoughtfully implemented by the teacher to maximize students’ learning. Moreover such authentic tasks provide opportunities for students’ to develop deep understanding of concepts.

Research supports this type of active, in-depth learning. According to Tharp et al. (2000),

Section 2, Instructional Goals and Methods

consistent findings from correlational, quasi-experimental, and true experimental designs have documented a systematic relationship between the presence of these instructional features and improved performance on a broad range of indicators. Thus, this approach is likely to produce positive results with regard to student achievement.

CURRICULUM

The curriculum of the Memphis Business Academy High School is designed around two key components of the school's mission. First and foremost, the goal is to prepare students to be successful in high school and beyond. As such, MBAHS offers a curriculum targeted at college preparation. Students will complete the coursework required of the university preparation curriculum for MCS.

As part of the commitment of the Board of the Memphis Business Academy High School to provide a strong college preparatory curriculum, every effort will be made to ensure the staffing and instructional support necessary to offer Advanced Placement courses. Beginning in the 2010-2011 school year, students with grades of A or B and a teacher recommendation from the prerequisite subject will be eligible to enroll in Advanced Placement courses at MBAHS. We anticipate that the following AP courses will be offered at MBAHS: AP U.S. History, AP English, AP Calculus, and AP Biology. The availability of these courses will be determined by the needs and readiness of the students. For example, AP Calculus will most likely not be offered until Year 5 because the primary feeder school (MBA Middle School) will not begin offering Algebra I for eighth-graders until the 2008-2009 school year.

A second part of the school's mission is to develop students' knowledge of concepts related to business, entrepreneurship, and financial responsibility. The curriculum will fulfill this second aspect of the school's mission through a series of three business courses (Business 101, 201 and Business 301) which will be offered as electives. These courses will integrate concepts from marketing, management, entrepreneurship, and accounting.

Graduation requirements at MBAHS will include the following credits:

English/Language Arts	4
Mathematics	4
Science	3
Social Studies	3
Wellness	1
Foreign Language	2
Fine Arts	1
<u>Electives</u>	<u>3</u>
Total	21

A **possible** course sequence is outlined in the table below.

9th Grade	10th Grade	11th Grade	12th Grade
English I	English II	English III	AP English
Algebra I	Geometry	Algebra II	Pre-Calculus
Physical Science	Biology	Chemistry	Wellness
World History	Business 101	Business 201	Business 301
Economics	Visual Art	Spanish I	Spanish II
		U.S. History	Study Hall

This sample course sequence would meet the graduation requirements in the following ways:

English	4	(English I, English II, English III, AP English)
Math	4	(Algebra I, Geometry, Algebra II, Pre-Calculus)
Science	3	(Physical Science, Biology, Chemistry)
Social Studies	3	(World History, Economics, U.S. History)
Wellness	1	
Foreign Language	2	(Spanish I, Spanish II)
Fine Arts	1	(Visual Art)
Electives	3	(Business 101, Business 201, Business 301)

As described in more detail in Section 6, the daily schedule will involve 5 class periods in the 9th and 10th grades and 6 class periods in the 11th and 12th grades. In order to ensure that students in the 9th and 10th grades complete the minimum requirement of 5 credits per year, the option of Study Hall will not be offered in these grades. With the additional class period added in 11th and 12th grades, students will have the option to take one Study Hall during that 2-year period.

As the MBAHS graduation requirements involve the same number of credits and are consistent with the MCS university preparation curriculum, students transferring from MBAHS to other MCS schools should experience little disruption with respect to the curriculum.

The only potential complication will come with students who might transfer from another Memphis City School to MBAHS. Because the MBAHS curriculum has additional course requirements (one more math course) and with fewer options than the MCS curriculum (business-oriented electives and the option of only one study hall), we are likely to face

Section 2, Instructional Goals and Methods

situations in which a student transfers to MBAHS and is not on track to complete our requirements (e.g., in the case of a student on the Technical Preparation track who transfers to MBAHS in his/her junior year). While we would make every effort to ensure that the student meets our requirements, we recognize that it might not be possible for the student to complete the university preparation curriculum as we have established it. We would then defer to the curriculum requirements of MCS. For example, if the student would be eligible for a regular diploma under the Technical Preparation Curriculum of MCS, we would grant a regular diploma for that student.

Curriculum Guides and Instructional Materials

One of the key lessons that we have learned from the MBA Middle School is the importance of teacher involvement in the development of the curriculum. Specifically, at the MBA Middle School, the teachers have worked with the curriculum coordinator to develop curriculum and pacing guides that meet state curriculum standards. This work to develop curriculum and pacing guides provides teachers with opportunities to exercise their professional knowledge to design a curriculum that will best meet students' needs. In addition, this curriculum development allows the teachers to work collaboratively to identify opportunities to integrate concepts related to business, entrepreneurship, and financial responsibility. We anticipate that the same process will be used at MBAHS. Teachers will work with the curriculum coordinator to develop curriculum and pacing guides that align with state curriculum standards and meet students' needs.

Following the design of the curriculum, the teachers will work with the curriculum coordinator to choose, from the list of state-approved textbooks, curriculum materials that best support the developed curriculum. The teachers will have the option to decide which curricular materials will be used for each course. We have found in our experience with the middle school that giving the teachers the responsibility for choosing the curricular materials ensures a level of comfort and commitment with respect to implementing these materials. Using the list of state-approved texts as a guide ensures that the materials are aligned with state content standards. The teachers will use these curriculum materials as the foundation for their instruction. They will then design lessons and units that build upon these curriculum materials to integrate concepts of business, entrepreneurship, and financial responsibility. For example, if the teachers elected to use the Glencoe Algebra I text, the sections from the text could be used as the basis of a unit on integers. However, this unit could then be supplemented with teacher and student-designed problems that include operations with integers through the examination of scenarios involving profit and loss. In other words, the teachers will have the flexibility to choose their foundational curricular materials. They will then be expected to supplement and expand upon those materials to make connections to business-related concepts.

Section 2, Instructional Goals and Methods

Other possible examples of the integration of business concepts would include:

- Geometry – The students could explore the real-world application of particular geometry concepts. A unit on surface area and volume might be supplemented with problems involving the minimization of cost in the design of shipping materials. A unit on the Pythagorean theorem might explore its relationship to television advertising.
- World History – The teacher might supplement the textbook with other materials that explore the economic impact of events in world history. For example, if the teacher adopted the Holt World History textbook, they would find that the chapter on World War II does not go into depth regarding the economic forces that shaped World War II or the economic impact of the war on the nations involved, including the United States. The teacher could use this as an opportunity to bring in supplemental resources that would provide students with a sense of the larger economic context.
- Biology – The teacher might supplement a unit on Genetics by a research project on the business implications of genetics and biotechnology.

Subject Area	Knowledge Level Gained	Proficiency Achieved	Skills Acquired

Charter School Application**Memphis Business Academy High School****Section 2, Instructional Goals and Methods**

Algebra I	<p>The student will gain knowledge of:</p> <ol style="list-style-type: none"> 1. How to recognize, represent, and model real numbers and operations. 2. How to use real numbers and operations to solve real-world applications. 3. How to describe, extend, analyze, create, and represent a wide variety of patterns and functions. 4. How to model real world phenomena using functions and a variety of representations. 5. How to model and apply geometric properties and relationships. 6. How to apply appropriate tools and units of measurement to produce reasonable results to real-world problems. 7. How to collect, organize, represent, and interpret real-world data. 8. How to determine theoretical and experimental probability 	<p>Students must demonstrate 70% proficiency on each skill acquired in class assessments as well as the appropriate level of attainment the state requires for this course.</p>	<ul style="list-style-type: none"> • Find square roots • Use exponents • Apply the order of operations • Order rational numbers • Identify opposites and reciprocals of rational numbers • Add and subtract algebraic expressions • Multiply two polynomials • Use estimation to determine a reasonable solution • Apply ratio and proportion to a real-world problem • Extend and represent numerical and geometric patterns • Graph real-world situations • Solve multi-step linear equations and inequalities • Evaluate algebraic expressions • Solve systems of equations representing real-world problems • Solve quadratic equations • Apply the Pythagorean Theorem to real-world situations • Find the areas of various geometric figures • Find the volume of various geometric solids • Find the measures of central tendency for sets of real-world data • Create, interpret, and use graphs of real-world data.
-----------	---	---	--

Mathematics

The Memphis Business Academy High School mathematics curriculum is designed around the Tennessee State Content Standards, reflecting the learning expectations and performance indicators of the state curriculum. In addition, a focus in the MBAHS mathematics curriculum will be on the real-world application of all mathematics concepts learned. In particular, every effort will be made to connect the mathematics concepts to real-world situations involving business.

Subject Area	Knowledge Level Gained	Proficiency Achieved	Skills Acquired
Geometry	The student will gain	Students must	<ul style="list-style-type: none"> • Use absolute value and radicals

Charter School Application**Memphis Business Academy High School****Section 2, Instructional Goals and Methods**

	<p>knowledge of and be able to apply the following concepts:</p> <ol style="list-style-type: none">1. Measurement2. Geometric patterns3. Coordinate geometry4. Properties of two- and three-dimensional figures5. Transformational geometry6. Congruence7. Similarity8. Inductive and deductive reasoning9. Logic10. Proof	<p>demonstrate 70% proficiency on each skill acquired in class assessments as well as the appropriate level of attainment the state requires for this course.</p>	<ul style="list-style-type: none">• Extend geometric patterns• Find the length, width, perimeter, and area of geometric figures• Apply concepts of slope and rate of change to real-world situations• Determine the equation of a line• Find the distance between two points on the coordinate plane• Use ratio and proportion to solve real-world problems and find the dimensions of similar figures• Apply the Triangle Sum Theorem and Exterior Angle Theorem• Apply the Triangle Inequality Property• Apply the Pythagorean Theorem to real-world problems• Determine congruence and similarity• Solve problems involving various properties of angles• Recognize transformations• Apply the trigonometric ratios to real-world problems• Apply the properties of special right triangles to solve real-world problems• Solve real-world problems involving the properties of polygons• Find the area of various geometric figures• Apply properties of polygons to justify statements regarding those polygons• Find the surface area and volume of geometric solids• Collect and analyze data to make conjectures about geometric relationships• Use inductive and deductive reasoning to make conjectures, draw conclusions, and solve problems
--	---	---	--

Section 2, Instructional Goals and Methods

Subject Area	Knowledge Level Gained	Proficiency Achieved	Skills Acquired
Algebra II	<p>The student will gain knowledge of:</p> <ul style="list-style-type: none"> • How to recognize, represent, model and apply real numbers and operations • How to operate on and apply complex numbers • How to describe, extend, analyze, create, and represent a wide variety of patterns and functions. • How to model real world phenomena using functions and a variety of representations. • How to identify and characterize a variety of functions based upon their behaviors and graphs • How to model and apply geometric properties and relationships to real-world situations • How to apply the units, systems, and processes of measurement • How to collect, organize, represent, and interpret real-world data • How to make and evaluate inferences and predictions • How to present and evaluate arguments based on data analysis • How to model situations to determine theoretical and experimental probabilities 	<p>Students must demonstrate 70% proficiency on each skill acquired in class assessments as well as the appropriate level of attainment the state requires for this course.</p>	<ul style="list-style-type: none"> • Perform operations involving complex numbers • Perform operations on algebraic expressions • Simplify exponential and logarithmic expressions • Represent functions and real-world situations using graphs, tables, and equations • Solve linear equations • Apply the concept of rate of change • Graph two-variable inequalities • Determine the domain and range of various functions • Solve systems of linear equations • Model real-world situations using matrices • Determine the inverse of a variety of functions • Recognize “parent functions” and predict graphical transformations based upon changes in the equation of a function • Find area, perimeter, circumference, surface area and volume of two- and three-dimensional figures • Find the equation of the line of best fit given a set of real-world data • Determine the number of possible outcomes for a given experiment • Determine the theoretical probability of a simple or compound event • Solve quadratic equations and inequalities • Find the maximum or minimum value given the graph of the feasible region of the real-world linear programming application

Charter School Application
Section 2, Instructional Goals and Methods

Memphis Business Academy High School

Subject Area	Knowledge Level Gained	Proficiency Achieved	Skills Acquired
--------------	------------------------	----------------------	-----------------

Charter School Application

Section 2, Instructional Goals and Methods

Memphis Business Academy High School

Pre Calculus <ul style="list-style-type: none"> • The student will gain knowledge of and the ability to apply concepts of: • Composition of functions • Graphing and writing linear equations • Writing equations of parallel and perpendicular lines • Piecewise functions • Solving systems of equations in three variables • Modeling real-world data with matrices • Determinants and Multiplicative Inverses of matrices • Solving systems of linear inequalities • Linear programming • Symmetry and Coordinate Graphs • Graphs of nonlinear inequalities • Inverse functions and relations • Continuity and end behavior • Critical points and extrema • Graphs of rational functions • Direct, inverse, and joint variation • Polynomial functions • The Remainder and Factor Theorems • Rational Root Theorem • Locating Zeros of a Polynomial Function • Rational equations and partial fractions • Radical equations and inequalities • Modeling real-world data with polynomial functions • Trigonometric ratios in right triangles • Trigonometric functions • The Law of Sines • The Law of Cosines • Angles and Radian Measure • Linear and angular velocity • The graphs of Sine and Cosine Functions • Graphs of other trigonometric functions 	Students must demonstrate 70% proficiency on each skill acquired in class assessments as well as the appropriate level of attainment the state requires for this course. <ul style="list-style-type: none"> • Perform operations with functions and find composite functions • Write equations of parallel and perpendicular lines • Apply piecewise functions to real-world situations • Solve systems of equations in three variables • Model data with matrices and perform operations on matrices • Evaluate determinants • Solve systems of equations by using inverses of matrices • Find the maximum or minimum value of a function defined for a polygonal convex set • Use linear programming to solve real-world applications • Use algebraic test to determine if the graph of a relation is symmetrical • Classify functions as even or odd • Graph polynomial, absolute value, and radical inequalities in two variables • Determine and graph inverses of relations and functions • Determine whether a function is continuous or discontinuous • Identify the end behavior of functions • Determine whether a function is increasing or decreasing on an interval • Find the extrema of a function • Graph rational functions and determine their vertical, horizontal, and slant asymptotes • Solve problems involving direct, inverse, and joint variation • Determine roots of polynomial equations • Apply the Fundamental Theorem of Algebra • Find factors of polynomials using Remainder and Factor Theorems • Identify all possible roots of a polynomial equation • Determine the number of positive and negative roots of a polynomial function • Approximate real zeros of a polynomial function • Solve rational equations and inequalities • Decompose a fraction into partial fractions • Solve radical equations and inequalities • Use polynomial functions to model and interpret real-world data • Find values of trigonometric ratios for acute angles of right triangles • Use trigonometry to find the measures of the sides and angles of a right triangle • Use the Law of Sines to solve for missing measures in triangles • Use the Law of Cosines to solve for missing measures in triangles • Find the lengths of arcs and areas of sectors in circles
--	---

Section 2, Instructional Goals and Methods

Subject Area	Knowledge Level Gained	Proficiency Achieved	Skills Acquired
Pre Calculus (cont.)	<ul style="list-style-type: none"> Basic trigonometric identities Solving trigonometric equations Normal form of a linear equation Distance from a point to a line Analytic geometry Circles Ellipses Hyperbolas Parabolas Rectangular and parametric forms of conic sections Transformations of Conics Systems of second degree equations and inequalities Exponential functions Logarithmic functions Sequences and series The Binomial Theorem Permutations and combinations Probability 		<ul style="list-style-type: none"> Find linear and angular velocity Graph and represent with equations the various characteristics of sine and cosine functions (e.g., amplitude, period, phase shift, etc.) Model real-world data and solve real-world problems using sine and cosine functions <p style="text-align: center;">Represent other tangent, cotangent, secant, and cosecant functions</p> <p style="text-align: center;">Use the basic trigonometric identities</p> <ul style="list-style-type: none"> Solve trigonometric equations and inequalities Write linear equations in normal and standard form Find the distance between a point and a line and between two parallel lines Prove geometric relationships among points and lines using analytical methods Represent circles, ellipses, hyperbolas, and parabolas with graphs and equations Translate between rectangular and parametric equations of conic sections Recognize and graph transformations of conic sections Graph and solve systems of second degree equations and inequalities Graph exponential functions and inequalities Solve real-world problems involving exponential growth and decay Use the exponential function $y=e^x$ Solve equations and real-world problems involving logarithms Find the nth term and means of arithmetic and geometric sequences Find the sum of arithmetic and geometric series Find the limit of an infinite sequence Find the sum of an infinite geometric series Determine whether a series is convergent or divergent Use Sigma notation Use the binomial theorem to expand binomials Apply the Basic Counting Principal Solve problems involving permutations and combinations

Charter School Application**Memphis Business Academy High School****Section 2, Instructional Goals and Methods**

			<ul style="list-style-type: none">• Find the probability of mutually exclusive and inclusive events• Find the probability of an event given the occurrence of another event
--	--	--	--

English

The Memphis Business Academy High School English curriculum is designed around the Tennessee State Content Standards, reflecting the learning expectations and performance indicators of the state curriculum. In addition, a focus in the MBAHS English curriculum will be on applications to business and financial responsibility. Student writing and reading assignments will be targeted, wherever possible, at topics related to business and economics-related topics.

Subject Area	Knowledge Level Gained	Proficiency Achieved	Skills Acquired
English I	<ul style="list-style-type: none">• Students will develop the structural and creative skills necessary to produce written language that can be read and interpreted by various audiences• Students will develop the reading skills necessary for word recognition, comprehension, interpretation, analysis, evaluation, and appreciation of the written text.• Students will use, read, and view media/technology and analyze content and concepts accurately• Students will express ideas clearly	Students must demonstrate 70% proficiency on each skill acquired in class assessments as well as the appropriate level of attainment the state requires for this course.	<ul style="list-style-type: none">• Recognize and use correct subject/verb agreement• Correct run-on sentences• Determine the writer's purpose in non-fiction• Correctly use end marks and quotation marks• Use appropriate transitional words within a paragraph• Write paragraphs with relevant supporting sentences and effectively-ordered sentence structure• Select correct pronoun case usage and correct pronoun/antecedent agreement• Arrange supporting paragraphs within a writing sample given a specified organizational pattern• Draw inferences from selected passages• Pinpoint cause and effect relationships• Identify the author's point of view• Discern an implied main idea from a passage• Paraphrase a given passage• Identify how the author reveals character• Interpret the meaning/significance of a symbol in prose or poetry• Identify an allusion in poetry and prose

Charter School Application**Section 2, Instructional Goals and Methods****Memphis Business Academy High School**

	and effectively in a variety of oral contexts and apply active listening skills in the analysis and evaluation of spoken ideas		<ul style="list-style-type: none"> • Select the type of conflict represented in a non-print medium • Determine which statement presents an opposing view from those stated on a web page • Select the appropriate persuasive device in a given ad • Evaluate the validity of web pages as sources of information • Research, organize, interpret, and present information from print and non-print media • Design an advertisement • Determine the appropriate preparation for an oral presentation to a specified audience or special interest group • Determine the most effective methods of engaging an audience during an oral presentation
--	--	--	--

Subject Area	Knowledge Level Gained	Proficiency Achieved	Skills Acquired
English II	<ul style="list-style-type: none"> • Students will develop the structural and creative skills necessary to produce written language that can be read and interpreted by various audiences • Students will develop the reading skills necessary for word recognition, comprehension, interpretation, analysis, evaluation, and appreciation of the written text. • Students will use, read, and view media/technology and analyze content and concepts accurately • Students will express ideas clearly and effectively in a variety of oral contexts and apply active listening skills in the analysis and 	Students must demonstrate 70% proficiency on each skill acquired in class assessments as well as the appropriate level of attainment the state requires for this course.	<ul style="list-style-type: none"> • Determine the most effective placement of information using a prewriting graphic organizer • Join clauses using subordinate conjunctions • Use correct subject/verb agreement • Use correct pronoun/antecedent agreement • Use correct pronoun case • Correctly use end marks and other quotation marks in a selection of dialogue • Identify the thesis statement in a writing sample • Use transitional devices to appropriately connect paragraphs within a writing sample • Determine the most effective order of sentences within a paragraph • Order supporting paragraphs in a writing sample given a specified organizational pattern • Correctly use commas to set off nonessential elements in a sentence • Draw inferences from a selected passage • Differentiate among verbal, situational, and dramatic irony • Pinpoint cause and effect

Charter School Application

Section 2, Instructional Goals and Methods

Memphis Business Academy High School

	evaluation of spoken ideas		<ul style="list-style-type: none"> • Discover the common theme in a series of passages • Paraphrase a given passage • Identify an allusion in poetry and prose • Determine the significance/meaning of a symbol in poetry or prose • Differentiate between mood and tone in poetry or prose • Infer either the mood or the tone represented in a non-print medium • Evaluate the validity of a variety of media sources • Research, organize, interpret, and present information from print and non-print media • Determine methods of engaging an audience during an oral presentation • Evaluate delivery techniques appropriate to a specific audience
--	----------------------------	--	---

Subject Area	Knowledge Level Gained	Proficiency Achieved	Skills Acquired
English III	<ul style="list-style-type: none"> • Students will develop the structural and creative skills necessary to produce written language that can be read and interpreted by various audiences • Students will develop the reading skills necessary for word recognition, comprehension, interpretation, analysis, evaluation, and appreciation of the written text. • Students will use, read, and view media/technology and analyze content and concepts accurately • Students will express ideas 	Students must demonstrate 70% proficiency on each skill acquired in class assessments as well as the appropriate level of attainment the state requires for this course.	<ul style="list-style-type: none"> • Create a written explanation to a selected topic/problem • Write persuasively to present valid argument(s) from an established point of view • Write for a variety of purposes including persuasion, narration, description, and exposition • Create original works • Create documents appropriate for a work environment • Address various readers • Demonstrate a knowledge of appropriate levels of diction • Use elements of the writing process that are appropriate to the assigned task • Use a variety of prewriting activities appropriate to the assigned task • Support a thesis statement with documentation from the text and/or examples from personal experiences • Support key ideas with well-developed examples • Use transitional elements effectively • Vary sentences beginnings, lengths, and structures • Convey a deliberate style through word choice, specific point of view, tone, and sentence patterns • Practice various means of evaluation and revision • Proofread to edit writing in order to ensure standard grammar, usage, and mechanics

Section 2, Instructional Goals and Methods

	clearly and effectively in a variety of oral contexts and apply active listening skills in the analysis and evaluation of spoken ideas		<ul style="list-style-type: none">• Use summaries, paraphrases, direct quotations, internal documentation, and works cited pages, as appropriate• Cite quotations, paraphrases, and summaries correctly in the research product• Gather information from the internet, periodicals, books, CD ROMS, and non-print sources• Produce and present formal research projects• Respond to literature in a variety of formats• Respond to diversity in literary selections• Analyze two or more literary selections for language use, patterns, and dialects• Identify vocabulary necessary to the understanding of text• Apply reading strategies• Assess the effectiveness of strategies used during the reading process• Participate in a variety of oral reading experiences• Read independently to gather information and to expand specific knowledge• Read independently for personal enjoyment• Critique the effectiveness of figurative language• Critique the significance of literary elements• Critique the effectiveness of rhetorical devices in persuasion
--	--	--	---

Charter School Application**Memphis Business Academy High School****Section 2, Instructional Goals and Methods**

Subject Area	Knowledge Level Gained	Proficiency Achieved	Skills Acquired
English III (continued)			<p>Use evidence from text to support interpretations, to understand relationships, and to validate judgments</p> <ul style="list-style-type: none">• Investigate an author's background to determine influences demonstrated within the text• Locate and utilize credible resource materials to increase understanding of text• Apply text information to make connections• Use electronic media and other audio-visual media to conduct research and to create and present research-based products• Create and present products incorporating multimedia components for specific audiences and purposes• Examine and respond to the effect(s) of media on the ideas, mores, and values of individuals, communities, and the World• Gauge the accuracy and reliability of any given set of resources• Use a variety of print and non-print media to research a topic and evaluate the information in order to create a presentation• Use a variety of media sources• Compare and contrast the effectiveness of print and non-print media• Examine production elements in both print and non-print media for the purpose of interpreting, clarifying, and communicating information• Make presentations using or showing an understanding of volume, pitch, rate, diction, inflections, gestures, and body language to facilitate communication in a variety of situations• Participate in group discussion by modeling effective interpersonal skills• Support, modify, or refute positions or opinions by citing accurate and reliable sources• Assess the viewpoints, judgments, and expectations of a speaker or listeners

Section 2, Instructional Goals and Methods

			<ul style="list-style-type: none">• Disseminate information on a specific topic, adjusting to the appropriate level of language usage for a variety of audiences and purposes• Judge a variety of oral presentations by evaluating preparation, content, and delivery• Demonstrate comprehension through a variety of responses
--	--	--	---

Charter School Application
Section 2, Instructional Goals and Methods

Memphis Business Academy High School

Subject Area	Knowledge Level Gained	Proficiency Achieved	Skills Acquired
English IV	<ul style="list-style-type: none"> • Students will develop the structural and creative skills necessary to produce written language that can be read and interpreted by various audiences • Students will develop the reading skills necessary for word recognition, comprehension, interpretation, analysis, evaluation, and appreciation of the written text. • Students will use, read, and view media/technology and analyze content and concepts accurately • Students will express ideas clearly and effectively in a variety of oral contexts and apply active listening skills in the analysis and evaluation of spoken ideas 	<p>Students must demonstrate 70% proficiency on each skill acquired in class assessments as well as the appropriate level of attainment the state requires for this course.</p>	<ul style="list-style-type: none"> • Create a written explanation to a selected topic/problem • Write for a variety of purposes including persuasion, narration, description, and exposition • Create original works • Create documents appropriate for a work environment • Address various readers • Rewrite prose passages using different levels of language • Approach writing tasks systematically by using steps in the writing process • Use a variety of prewriting activities to generate, focus, and organize ideas • Develop cogent and convincing arguments to support valid theses statements • Support a thesis statement with documentation from the text and/or examples from personal experiences • Support key ideas with well-developed examples • Use transitional elements effectively • Vary sentences beginnings, lengths, and structures • Convey a deliberate style through word choice, specific point of view, tone, and sentence patterns • Practice various means of evaluation and revision • Proofread to edit writing in order to ensure standard grammar, usage, and mechanics • Use summaries, paraphrases, direct quotations, internal documentation, and works cited pages, as appropriate • Cite quotations, paraphrases, and summaries correctly in the research product • Gather information from the internet, periodicals, books, CD ROMS, and non-print sources • Produce and present formal research projects • Respond to literature in a variety of formats • Write reflections to analyze the processes used to create his/her own writing • Respond to diversity in literary selections • Compare and contrast literary selections for language use, patterns, and dialects over several time periods • Identify vocabulary necessary to the understanding of text

Section 2, Instructional Goals and Methods

			<ul style="list-style-type: none">• Analyze and synthesize reading vocabulary into written and oral responses• Apply strategies for decoding unknown words• Apply reading strategies• Demonstrate comprehension at higher levels through written and oral responses
--	--	--	--

Section 2, Instructional Goals and Methods

Subject Area	Knowledge Level Gained	Proficiency Achieved	Skills Acquired
English IV (cont.)			<p>Assess the effectiveness of strategies used during reading process</p> <p>Read independently to respond to teacher/student-generated questions, to gather information, to present information, and to expand knowledge</p> <ul style="list-style-type: none"> • Analyze the effectiveness of figurative language and literary devices • Critique the effectiveness of persuasive devices • Project character response based on prior knowledge gained from text <p>Use evidence from text to support summaries, inferences, conjectures, and predictions</p> <ul style="list-style-type: none"> • Investigate an author's background to determine influences demonstrated within the text • Compare and contrast passages reflecting the effect of different authors' influences • Defend credible resource materials to increase understanding of text • Interpret and analyze graphics and other resource materials Apply text information to make connections • Use electronic media and other audio-visual media to conduct research and to create and present research-based products • Create and present products incorporating multimedia components for specific audiences and purposes • Discern the advantages and limitations of a variety of media in order to create, to display, and to present information • Compare and/or contrast the accuracy, validity, and reliability of a variety of media resources through their treatment of the same event • Use a variety of print and non-print media to research a topic and evaluate the information in order to create a presentation • Use a variety of media sources to create and present information • Evaluate production elements in both print and non-print media and analyze the effects • Prepare and/or utilize graphics for the purpose of interpreting, clarifying and communicating information • Make presentations using or showing an understanding of volume, pitch, rate, diction, inflections, gestures, and body language to facilitate communication in a variety of situations • Participate in group discussion by modeling effective interpersonal skills

Section 2, Instructional Goals and Methods

			<ul style="list-style-type: none"> • Synthesize and incorporate print and nonprint texts in a variety of oral presentations • Disseminate information on a specific topic, adjusting to the appropriate level of language usage for a variety of audiences and purposes • Judge a variety of oral presentations by evaluating preparation, content, and delivery • Identify how the effects of dialect contribute to meaning • Support, modify, or refute positions or opinions by citing accurate and reliable sources.
--	--	--	---

Science

The Memphis Business Academy High School science curriculum is designed around the Tennessee State Content Standards, reflecting the standards, learning expectations and performance indicators of the state curriculum.

Subject Area	Knowledge Level Gained	Proficiency Achieved	Skills Acquired
Physical Science	<ul style="list-style-type: none"> • The student will explore the concepts of force and motion. • The student will examine the structure, properties, and classes of matter. • The student will investigate the interactions of matter. • The student will compare and contrast various forms of energy. 	Students must demonstrate 70% proficiency on each skill acquired in class assessments as well as the appropriate level of attainment the state requires for this course.	<p>Interpret a distance-time graph for velocity or a velocity-time graph for acceleration</p> <ul style="list-style-type: none"> • Solve application problems related to velocity, acceleration, force, work, and power • Distinguish among the concepts inherent in Newton's three laws of motion • Recognize the simple machines found in a compound machine • Solve application problems related to mechanical advantage and the efficiency of simple machines • Recognize a correct representation of the law of conservation of momentum • Identify common elements • Distinguish between metals and nonmetals • Identify the three major subatomic particles • Identify chemical formulas for common compounds • Solve application problems related to density, mass, and volume • Predict the behavior of an object in a fluid • Identify the atomic number, atomic mass, number of protons, number of neutrons, and number of electrons in an atom of a given element

Charter School Application

Section 2, Instructional Goals and Methods

Memphis Business Academy High School

Subject Area	Knowledge Level Gained	Proficiency Achieved	<ul style="list-style-type: none"> • Analyze the relationships among pressure, temperature, and volume <p>Skills Acquired</p>
Biology	<p>Students will gain knowledge of the following topics:</p> <ul style="list-style-type: none"> • Basic life processes at the molecular, cellular, systemic, organismal, and ecological levels of organization within the biosphere • Interdependence and interactions within the environment to include relationships 	<p>Students must demonstrate 70% proficiency on each skill acquired in class assessments as well as the appropriate level of attainment the state requires for this course.</p>	<ul style="list-style-type: none"> • Identify a chemical bond as ionic or covalent • Identify a chemical reaction as synthesis, decomposition, single-replacement, or double-replacement • Balance chemical equations • Apply the law of conservation of mass in a chemical reaction • Distinguish between endothermic and exothermic reactions • Identify the effect of acid rain on the environment • Identify the products given the reactants of a chemical equation • Identify a wave's behavior as reflection, diffraction, or interference • Classify the transfer of heat energy as conduction, convection, or radiation • Recognize the importance and the mechanisms of homeostasis to the viability of organisms • Identify the biomolecules responsible for communication, response, regulation, or reproduction in the cell • Distinguish between nuclear fission and nuclear fusion • Solve problems regarding heat, mass, specific heat capacity, and temperature change • Make inferences about how environmental factors affect population growth <p>Examine the energy flow through the trophic levels of an ecosystem</p>
	<ul style="list-style-type: none"> • Behavior, and population dynamics • Cultural and historical scientific contributions of men and women • Evidence that supports biological evolution • Current and emerging technology applications 		<ul style="list-style-type: none"> • Determine the effects of human activities on ecosystems • Analyze and interpret population growth curves • Distinguish between a learned and innate behavior • Distinguish between aerobic and anaerobic respiration • Investigate the interdependence of photosynthesis and respiration in living organisms • Relate how energy is transferred from cellular energy to cellular work • Recognize the major functions of DNA as replication or transcription • Identify the sex chromosomes in humans and recognize inheritance patterns that are sex-linked • Analyze modes of inheritance including co-dominance, incomplete dominance, and multiple alleles using genetic problems • Analyze DNA fingerprinting using an illustration of DNA • Determine the probability of having a child with an autosomal disorder

Section 2, Instructional Goals and Methods

		<ul style="list-style-type: none">• Differentiate the processes of replication, transcription, and translation• Analyze a dihybrid cross to determine the probability of a particular trait• Determine the genus and species of an organism• Determine whether an insect undergoes complete or incomplete metamorphosis• Infer the body symmetry of an organism• Infer the function of a system or organ• Compare and contrast the life cycles of various organisms to include alternation of generations• Apply knowledge of divergent evolution to determine why species with a common ancestor have adapted differently• Compare homologous structures in species to determine the relatedness of certain species• Differentiate between natural selection and selective breeding• Recognize the relatedness of species
--	--	--

Charter School Application**Memphis Business Academy High School****Section 2, Instructional Goals and Methods**

Subject Area	Knowledge Level Gained	Proficiency Achieved	Skills Acquired
Chemistry	The students will gain knowledge of the following key concepts 1. Atomic structure 2. Matter and Energy 3. Interactions of Matter 4. Properties of Solutions and Acids and Bases	Students must demonstrate 70% proficiency on each skill acquired in class assessments as well as the appropriate level of attainment the state requires for this course.	<p>Identify major characteristics of various models of the atom</p> <ul style="list-style-type: none"> • Determine the number of protons, neutrons, and/or electrons in an atom or ion • Compare s and p orbitals in an energy level in terms of general shape, energy, and/or numbers of electrons possible • Determine the Lewis electron-dot structure or number of valence electrons for an atom of any main group element • Describe the trends present in the periodic table with respect to atomic size, ionization energy, electron affinity, or electronegativity • Distinguish among gases, liquids, and solids in terms of particle spacing and relative movement • Predict the effect of changing one gas variable on one of the others • Demonstrate an understanding of the law of conservation of matter • Categorize a process as endothermic or exothermic • Demonstrate an understanding of the law of conservation of energy by equating heat loss and heat gain in an interaction • Distinguish between ionic and covalent compounds • Identify the formula for a compound for a periodic table and a list of common ions • Identify the name of compounds and common acids • Balance chemical equations • Convert between various quantities of a substance • Determine molar ratios expressed in balanced chemical equations • Analyze percent composition of the elements in a compound • Identify and solve different types of stoichiometry problems • Identify the solute and solvent in a solid, liquid, or gaseous solution • Classify a solution as saturated, unsaturated, or supersaturated • Calculate the concentration of a solution in terms of molarity or mass percent • Classify a substance as an acid or a base • Predict the products of a neutralization reaction involving inorganic acids and bases

Section 2, Instructional Goals and Methods

Social Studies

The Memphis Business Academy High School social studies curriculum is designed around the Tennessee State Content Standards, reflecting the learning expectations and performance indicators of the state curriculum. In addition, the MBAHS social studies curriculum will emphasize the economic influences on historical and contemporary issues.

Subject Area	Knowledge Level Gained	Proficiency Achieved	Skills Acquired
World History	<p>The student will gain knowledge and understanding of the following concepts:</p> <ul style="list-style-type: none"> • Culture • Economics • Geography • Governance and Civics • History 	<p>Students must demonstrate 70% proficiency on each skill acquired in class assessments as well as the appropriate level of attainment the state requires for this course.</p>	<p>Compare and contrast diverse world cultures in order to identify, comprehend, and appreciate the contributions of various cultural groups</p> <ul style="list-style-type: none"> • Evaluate the idea that cultures both enhance and impede individuals and groups in societal and global interactions • Explain the connection between artistic expression and/or religious expression, language usage, and cultural development • Study original works, which reflect a historical understanding of diverse cultures • Analyze the effects of changes in social conditions on economic, social, political, and cultural aspects of societies • Identify a current social issue and create a plan for reform • Examine major methods used by the Nazis against the Jews during the Holocaust • Evaluate the methods of ethnic cleansing used in contemporary settings • Explain the origins and development of major economic systems • Test and critique various economic systems through simulations • Analyze how various technological developments impact economic systems • Rank the importance and impact of various technological developments • Analyze the change from individual production to mass production and examine factors that led to the spread of industrialization through the world's economies • Explain the rapid industrialization of the global economy by synthesizing the factors leading to and components of an industrialized economy • Determine the effect that the industrialized economy has had on historical events in the 20th century • Examine the conditions under which individuals worked in the various labor systems

Charter School Application

Memphis Business Academy High School

Section 2, Instructional Goals and Methods

Subject Area	Knowledge Level Gained	Proficiency Achieved		<ul style="list-style-type: none"> • Evaluate the impact of various labor organizations on working conditions
World History (cont.)				<ul style="list-style-type: none"> • Analyze the origins and evolution of major systems of world governance and rate the implementation and relative success of governance systems • Assess the relative importance of physical geographic features on world historic and current events • Compare and contrast the roles of individuals in different forms of governance and assess how the role of the individual changed throughout history in different societies • Analyze factors related to human geographic interaction and determine which factors have been most significant in the development of the modern world • Examine the origins and evolution of nation-states and assess the validity of the factors that led to the creation of nation-states • Examine the impact of natural disasters, plagues, and diseases on world historic events and assess immediate and long-term governmental consequences on population growth and distribution • Analyze world historic events and successes of varied world governmental organizations • Formulate resolutions to world issues and present them in a mock international governmental organization • Compare the development of several different early human civilizations including agrarian, hunter-gatherer, nomadic, warrior, and pastoral • Compare and contrast the world civilizations by examining similarities and differences • Weigh the impact of world civilizations upon the modern World • Differentiate between the major world religions and their philosophies • Consider major world religions, research their historical development and analyze their philosophical development over time • Illustrate how various factors influenced the development of modern civilizations • Predict the future development of modern civilizations based on an interpretation of historic factors • Evaluate the impact that economic systems have on historical events • Interpret the relative success of economic systems and explain their impact on the interaction of civilizations • Identify and classify the components of conflicts into causes, courses, and consequences
				<ul style="list-style-type: none"> • Appraise the value of conflict by comparing the costs and benefits of global war, ethnic conflicts, genocide, and diplomatic exchanges • Calculate the impact of historical events on the modern World • Evaluate the idea that the modern world is caused by and dependent on the interactions between individuals and historic events • Illustrate the ways in which technological advancements influenced world events • Rate the relative importance of various technological advancements • Examine the methods by which historical information and ideas are recorded and transmitted in order to analyze data from various collections and research methods

Section 2, Instructional Goals and Methods

		<ul style="list-style-type: none">• Utilize the various historical research techniques to develop an original historical analysis• Analyze the evolution of the political, economic, and social status of women• Compare and contrast the status of women in varied world societies• Examine the causes and effects of major trends and movements and determine the impact on the 21st century• Compare and contrast the origin, evolution, decline and impact of empire building and assess the legacy of empire building on modern society• Define and recognize the impact of bias, conformity, and stereotyping
--	--	---

Charter School Application
Memphis Business Academy High School
Section 2, Instructional Goals and Methods

Subject Area	Knowledge Level Gained	Proficiency Achieved	Skills Acquired
United States History	The student will gain knowledge regarding the following concepts: <ul style="list-style-type: none"> • Culture • Economics • Geography • Governance and Civics • History • Individuals, Groups and Interactions 	Students must demonstrate 70% proficiency on each skill acquired in class assessments as well as the appropriate level of attainment the state requires for this course.	<p>Identify how the effects of 19th century warfare promoted the growth of industrialism</p> <ul style="list-style-type: none"> • Identify major agricultural post-Civil War American geographic areas on a map • Identify major urban areas of the United States on a map • Identify patterns of immigration and the causal factors that led to immigration to the U.S. • Distinguish the differences in assimilation of “old” versus “new” immigration • Read and interpret a primary source document reflecting the dynamics of the Gilded Age of American society • Recognize technological and industrial advancements • Match innovators to their industrial and technological contributions • Recognize the economic disparity among farmers, wage earners, immigrants or racial groups when compared to industrial capitalists • Interpret a political cartoon which portrays the controversial aspects of the Gilded Age • Analyze the impact of different forms of corruption and its consequences in American politics during the later half of the Age • Assess the effect of late 19th Century technological innovation on the daily lives of American people • Identify causes and consequences of American imperialism • Recognize the progress of political and social reform in America during 1890-1930s • Identify the causes of American involvement in World War I • Recognize the trends, ideas, and innovations of the 1920s popular culture • Recognize the role of Tennessee in the women’s suffrage movement • Determine the possible factors that led to the economic collapse of 1929 • Read and interpret a primary source document reflecting the social dynamics of the 1920s • Compare and contrast the philosophies of DuBois, Washington, and Garvey • Analyze the American isolationist position versus interventionist arguments • Identify the causes of World War II • Recognize the negative patterns of an economic cycle • Recognize the definitions of totalitarianism, fascism, communism, nationalism, and anti-Semitism • Identify the changes in social and cultural life caused by the Great Depression and the Dust Bowl • Interpret a timeline of major world events from World War II • Identify New Deal Programs/Initiatives • Recognize World War II alliances

Section 2, Instructional Goals and Methods

		<ul style="list-style-type: none"> • Analyze how World War II affected the American economy • Recognize the effect of the New Deal and World War II on Tennessee • Evaluate the impact of the Manhattan Project • Interpret a political cartoon involving the New Deal • Recognize differences among the victorious Allied Powers after World War II
--	--	---

Subject Area	Knowledge Level Gained	Proficiency Achieved	Skills Acquired
United State History (continued)			<p>Distinguish social inequities in America in the post World War II era</p> <ul style="list-style-type: none"> • Locate and label countries dominated or threatened by Communism • Recognize the impact of technological and cultural changes on American society • Identify areas associated with American containment policies • Recognize domestic impact of the Cold War on American society • Determine the effects of the Supreme Court's decisions on Civil Rights • Identify significant events in the struggle for Civil Rights • Recognize the altered American approach to foreign policy in the Post World War II era • Match leading figures of the Civil Rights era with their respective groups and goals • Read and interpret Cold War documents • Identify the changes in the music industry brought about by Tennessee's influence • Evaluate socioeconomic impact of the post World War II Baby Boomer generation • Analyze the advantages and disadvantages of increased global trade and competition • Recognize innovators or entrepreneurs in the "new economy" • Recognize the roles of the key figures of Watergate • Use a timeline to identify America's interest and participation in Southeast Asia since World War II

Section 2, Instructional Goals and Methods

			<ul style="list-style-type: none">• Compare and contrast the Reagan and George H.W. Bush administrations with the Clinton administration and the nature of their respective political opposition• Analyze the advantages and disadvantages of increased global trade and competition on the U.S. economy
--	--	--	---

Section 2, Instructional Goals and Methods

Subject Area	Knowledge Level Gained	Proficiency Achieved	Skills Acquired
Economics	<p>The student will gain knowledge regarding the following concepts:</p> <ul style="list-style-type: none"> • Culture • Economics • Geography • Governance and Civics • History • Individuals, Groups and Interactions 	<p>Students must demonstrate 70% proficiency on each skill acquired in class assessments as well as the appropriate level of attainment the state requires for this course.</p>	<ul style="list-style-type: none"> • Compare and contrast the attitudes of ownership of property and wealth in major world cultures • Illustrate how cultural factors affect socioeconomic classes • Differentiate between the methods of production and exchange in pre-industrial, industrial, and post-industrial societies • Illustrate how telecommunications affected the world society • Differentiate between accommodation and assimilation • Analyze charts, maps, and statistical tables to understand economic attitudes • Interpret stock market quotations and reports • Describe the structure of the Federal Reserve System and the role it plays in the American economic system • Compare and contrast the roles of credit unions, commercial banks, savings and loans associations, finance companies, and consumer finance companies in the American economy • Analyze the major causes and the major events associated with the savings and loan crisis in the 1980s • Compare important characteristics of the capitalistic and socialist systems • Evaluate the economic factors behind the collapse of communism in the Soviet Union and Eastern Europe in the 1980s • Identify the major elements of both microeconomics and macroeconomics • Identify major world economists and their contributions • Interpret data related to macroeconomic concepts • Describe optimal levels of output and how they are determined • Identify how increases in productivity are affected by incentives that reward successful innovation and investments in physical and human capital • Explain the problem of scarcity and the importance of making economic decisions • Identify the locations of key natural resources and the impact of these locations on modern economic systems • Describe the standard of living in overpopulated countries and predict future events when there is a more even balance of trade • Study the results of major population change • Predict the relationship between densely populated countries and future world trade relationships

Section 2, Instructional Goals and Methods

			<ul style="list-style-type: none"> • Predict the outcome of future human rights issues in overpopulated countries • Understand the concepts of zoning, residential, and commercial • Recognize the factors involved in decision-making about local and community land usage • Select and develop a land-use plan that will meet local, state, national, and international regulations • Compare recent and historical examples of conflicts between environmental and economic concerns
--	--	--	--

Subject Area	Knowledge Level Gained	Proficiency Achieved	Skills Acquired
Economics (continued)			<ul style="list-style-type: none"> • Analyze the impact of interest groups that affect decisions between environmental and economic concerns • Analyze the need to relate national economic events and trends to the local economic picture • Evaluate those factors which would make an industry more or less likely to locate in a certain community • Evaluate the changing roles of citizens in a technologically advancing economy • Describe the factors involved in making city, state, and national budgets, and impact of interest groups • Develop a business plan for starting a new company • Identify those agencies and regulations to be considered in starting a new company • Analyze how the Great Depression and the New Deal changed the economic relationship between the citizen and the government • Analyze major elements of Reagonomics and supply-side economics • Understand the impact of international organizations • Understand the economic impact of African American migration, northward migration of Hispanic Americans, and the development of the Sun Belt and Rust Belt in the 20th century • Describe the major events in a selected labor/management clash • Appraise the impact of a New Deal program on the economy of the time and trace its impact on the economy today • Compute finance charges, safe debt loads, and personal budgets • Describe a borrower's rights and responsibilities

Section 2, Instructional Goals and Methods

			<ul style="list-style-type: none">• Understand investment choices and how to determine the amount to save and invest• Understand personal aspects of inflation, unemployment, and interest rates• Understand that technological change and investments in capital goods and human capital may increase labor productivity but have significant opportunity costs and risks• Create examples of different business organizations and show advantages and disadvantages of each• Understand interest rates and their relationship to loan risk, business investment spending, and consumer spending• Analyze the values and standards of different culture groups from an individual perspective• Evaluate the business ethics of a given situation and defend that position• Appraise national income accounting concepts• Research international economic organizations
--	--	--	---

In addition to the expectations described above, the MBAHS curriculum will also include several interdisciplinary projects that allow students to demonstrate knowledge and skills from multiple subject areas. For example a 9th-grade student might research and write about machines from various time periods and parts of the world that have had a profound impact on economic history. Such a project would involve physical science, world history, and English. If the student drew the plans and constructed a model of the machine, the project might also infuse both visual arts and mathematics. These projects will be designed collaboratively by the subject area teachers and assigned as a culminating activity for the six weeks or semester.

ADDRESSING STUDENTS' NEEDS**"At-risk" Students**

The features of the MBAHS program are based upon the general principles for effective pedagogy that have been identified to maximize achievement among students generally considered to be at risk for educational failure (MacIver, MacIver, Balfanz, Plank, & Ruby, 2000; Tharp, Estrada, Dalton, & Yamauchi, 2000). These strategies were chosen because they have been proven to work with all students, but particularly with students placed at risk. For example, research has demonstrated that students attending schools that employ instructional strategies consistent with authentic pedagogy experience higher achievement and that this achievement is more equitably distributed (Knapp, Shields, & Turnbull, 1995; Lee & Smith, 1995; MacIver et al., 2000). According to Lee, Smith, and Croninger (1997), "low-achieving

Section 2, Instructional Goals and Methods

students are often found in classrooms that emphasize lower-order skills, basic knowledge, drill and practice, recitation, and desk work. However, when such students are placed in classrooms that provide more intense, varied, and authentic instructional experiences, they usually demonstrate the ability to master more complex and demanding tasks. These richer learning environments can dramatically improve the performance of both high- and low-achieving students" (p. 130). Similarly, Darling-Hammond (1997) asserts that teaching consistent with authentic pedagogy has proven more effective than rote teaching for students across a wide range of initial achievement levels and circumstances, including those considered to be at risk of educational failure.

Moreover, the provision of an "extra dose" of academic learning time during the school day is another strategy that has proven effective in meeting the needs of students considered at risk (MacIver et al., 2000). These extra doses will be built into the school schedule of MBAHS through longer class periods and after school tutoring offered Monday through Thursday.

Special Education Students

In accordance with federal regulations, all students with disabilities will be fully integrated into the programs offered by the Memphis Business Academy High School and provided with all necessary materials, mandated services, and equipment to support their learning in the least restrictive environment. To the maximum extent possible, students with disabilities will be educated with children who are non-disabled except in such cases in which the nature or severity of the disability is such that education in regular classes with the use of supplementary aids is not sufficient to meet the child's needs. MBAHS will comply with the Individuals with Disabilities Act (IDEA), Section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act. By the date of opening, the building housing the school will be compliant with requirements from the Americans with Disabilities Act and will be equipped to accommodate students who may have physical disabilities.

The Memphis Business Academy High School will ensure that any student with a disability has been identified and serviced. MBAHS will meet requirements mandated within a student' Individualized Education Program (IEP) for any student entering the school with preexisting disability requirements. In addition, any student identified by his/her teacher or parent/guardian as possibly having special learning needs will undergo assessment by a qualified special education consultant. If the diagnostic indicates that adaptations are necessary, an IEP will be developed by the consultant, in conjunction with the students' teachers and parents and in consultation with personnel from Memphis City Schools. The consultant will work with the teachers of any identified students in order to ensure that appropriate adaptations are being made. Every attempt will be made to keep special education students in the regular classroom. However, if a student's IEP indicates that he/she should be pulled out for special resource classes, a certified special education teacher (possibly the special

Section 2, Instructional Goals and Methods

education consultant) will provide that instruction.

In addition, school staff will assist parents in gaining access to any services not provided by the school. Staff development will be provided to aid teachers in the identification of student disabilities. Moreover, both identification and intervention will be facilitated through the smaller class size (a maximum of 20 students per class), extended contact, and additional tutoring which are features of the school.

Limited English Proficient (LEP) Students

LEP students will be fully included in the regular classroom. Research evidence indicates that the instructional practices to be used in MBAHS regular classrooms are effective in improving the achievement of students of limited English proficiency (Tharp et al., 2000). As a means to support immersion in the regular classroom, students will be provided with printed materials in their native language as well as a part-time aide to assist with translations during classroom instruction.

PARENT AND COMMUNITY INVOLVEMENT

At different points during the school year, parents and community members will be invited to a “culminating activity” in which students have the opportunity to present the interdisciplinary projects they have completed. In keeping with the business focus of the school, one of the goals of the event will be to provide students with opportunities to learn how to make effective presentations to a group of people. Students will use tools such as PowerPoint and Excel to create their presentations and the supporting visual representations of what they learned. These culminating activities will not only allow students the opportunity to showcase their work, but will also provide a format (other than parent-teacher conferences) for parents to see how their children are performing in school.

As noted in Section I, the Memphis Business Academy High School has as one of its goals the involvement of community members through the tutoring of MBAHS students. The Board of the MBAHS is committed to establishing a tutoring program that will provide academic support for students who need one-on-one instruction on particular concepts.

TECHNOLOGY

The authentic nature of curriculum and instruction at the Memphis Business Academy High School demands the infusion of technology throughout the instructional program. In an increasingly technological world, students can only engage in truly authentic learning experiences through the use of the tools that are available to persons in the workplace. Therefore, students will utilize technology in various ways as a means of supporting authentic instruction. They will use the Internet to conduct research. They will use Excel to create spreadsheets, to compute using formulas, and to create graphs and charts of data. They will use

Section 2, Instructional Goals and Methods

Microsoft Word to write up their project reports and other text-based assignments and will create PowerPoint presentations of their work. In addition, students will use specialized software programs, such as Geometer's Sketchpad, that allow for the creation, measurement, and dynamic manipulation of figures in ways not possible with pencil and paper. Finally, students will also use tools, other than the computer, that provide means of gathering and analyzing data. For example, the TI-83 calculators offer a range of powerful graphing, statistical, and financial functions in a tool that is more portable than a desktop computer. In addition to working with Excel, students will learn to use the computing functions of the TI-83 and will compare the relative ease and utility of the two different tools. In each case, technology will be used not for drill and practice, but to facilitate authentic learning and to equip students with the tools that are used by professionals in a range of fields. While the actual programs and hardware that students will use once they enter the workplace will almost certainly be very different, the facility with technology developed at this level will leave students better prepared to adapt to future changes.

INNOVATION

In a report on effective charter schools, the U.S. Department of Education (2004) noted that each of the eight schools examined for the report was "infused with the spirit of innovation." However, as the authors of the report point out, the practices evident in these schools are not "new." They have been developed and tried in other parts of the country. "The novel ways charter schools can put them together often results in a school culture and operational structure quite different from those in neighboring schools" (U.S. Department of Education, 2004, p. 5).

We would argue that this is also the case for the Memphis Business Academy High School. It is not that the key instructional and organizational features of the school are new. In fact, these features (e.g., authentic instruction involving active learning, cooperative learning, and small school and class size) have been used effectively in other places (Lee & Smith, 1993; Lee & Smith, 1995; MacIver et al., 2000; Malloy, 2000; Newmann et al., 1996; U.S. Department of Education, 2004). They were chosen for the design of MBAHS for precisely that reason, because they have been proven to be effective. Nor is the focus on business, economics, and financial responsibility a unique feature of the Memphis Business Academy High School. The innovative nature of the school is the combination of these factors *in this particular setting*.

The results of a recent study of instructional practices in the Memphis City Schools (Thompson & Ransdell, 2004) suggest that the methods to be used by the MBAHS, although not unique, would be uncommon. The study was conducted by researchers from the University of Memphis using the School Observation Measure (SOM©) developed by researchers at the Center for Research on Educational Policy. The results of the study indicated very little evidence of the

Section 2, Instructional Goals and Methods

instructional practices to be utilized at MBAHS. Out of 40 classroom observations, only 6 instances of the integration of different subject areas were noted, and in no case was this integration ranked as occurring “frequently” or “extensively.” Similarly, only 20% of the 40 lessons observed included any opportunities for students to engage in experiential or hands-on learning, and in only two instances did this take place “extensively” during the class period. There were no instances observed of project-based learning, only one instance of independent inquiry on the part of students, and only six examples of student discussion (none at a level of “frequently” or “extensively”). While the schools and classrooms studied represent only a small fraction of those in MCS, the results suggest that the instructional program of the MBAHS is likely to differ from that which students would experience in their neighborhood schools.² For this reason, the Memphis Business Academy High School has the opportunity to serve as a “laboratory” or an existence proof, verifying the efficacy of this combination of features in this particular urban context.

² We are not suggesting that the instructional practices used by the observed teachers are ineffective, only that they are different from those to be employed by MBAHS. In fact, the teachers who participated in the study were chosen by their principals because they are highly effective.

Section 3 – Describe the plan for evaluating student academic achievement at the proposed public charter school and the procedures for remedial action that will be used by the school when the academic achievement of a student falls below acceptable standards. Provide a detailed framework of the school's approach to assessment, including any external and internal measures that will be used to establish and monitor student academic and non-academic progress beyond the state testing requirements. Summarize how performance data will be collected, reported, and used to improve instruction. Provide details about your plan for intervention and remediation should students fail to demonstrate adequate yearly progress.

The Memphis Business Academy High School will engage in ongoing assessment of program implementation and student progress through the use of a variety of tools, including both internal and external measures. The results of this monitoring will serve to inform our instructional program and guide our student support activities.

PROGRAM IMPLEMENTATION

As described in the previous section, the program of the Memphis Business Academy High School has two key features that distinguish it from other programs. One distinctive feature will be evident in instruction. A goal of the Memphis Business Academy High School is to implement authentic pedagogy through the use of instructional methods focused on producing active, in-depth learning. However, implementation of such instructional methods (that often differ from those of teachers' and students' past experiences) is not easy and will not be accomplished immediately. As such, it will be necessary to monitor and assess the progress of the school program with respect to implementing authentic pedagogy. For this purpose, the school will hire an outside consultant to observe classes, meet with teachers and students, examine curricular plans, and provide an evaluation of the school's progress towards meeting the goal of providing authentic instruction. The consultant will use evaluation instruments specifically designed to assess the level of authentic pedagogy. The evaluation will be conducted each year for the first three years and periodically after that time. The information provided through the evaluation will be used to make curricular changes and design professional development experiences to support the implementation of authentic pedagogy.

This purpose of the external evaluation will be to help the school stay focused on its mission and to more effectively meet student needs.

A second key feature of the program of the Memphis Business Academy High School is the focus on business, entrepreneurship, and financial responsibility. Any assessment of program implementation must also evaluate progress towards infusing these concepts throughout the academic program. While these concepts are clearly included in the Business 101, Business 102, and Economics courses, a goal of the program is to integrate business concepts into the other courses as well. For the purposes of assessing progress with respect to this aspect of the

program, the school administration will conduct an internal audit related to the integration of business concepts. This audit will occur each semester in order to provide information necessary for ongoing adjustments to the academic program, if needed. The school's curriculum coordinator will be responsible for conducting the audit.

STUDENT ACHIEVEMENT

The primary external measure of student achievement at the high school level will be the Gateway and End-of-Course tests. We will administer the Gateway and End-of-Course tests annually (to students enrolled in the relevant courses) and use the results to gauge the effectiveness of our instructional program with respect to meeting state curriculum standards. This achievement data will be collected, disaggregated, and reported as required by the *No Child Left Behind* legislation.

We will also use formative assessments to gauge student progress toward meeting the objectives covered in the Gateway and End-of-Course (EOC) assessments. At three different points during the school year (prior to the Gateway and EOC testing), the students will be tested on Gateway and End-of-Course objectives in a format similar to that of the actual tests. The results will be analyzed by teachers and administrators to determine areas of strength and weakness and to pinpoint objectives that should receive greater attention.

In addition to the Gateway and EOC tests, several internal assessment instruments will be utilized to gauge student progress. These will include, but are not limited to:

- classwork
- homework
- test scores
- projects
- classroom participation

The results of these assessments will be communicated to parents through written progress reports that will be sent home at the end of the 3rd week of the grading period. Report cards will be issued at the end of each 6-week grading period.

In order to align assessment and instruction, one of the goals of the assessment program of the Memphis Business Academy High School will be to design authentic assessments of student performance. In particular, the student projects will be one of the key features of our assessment program. The projects produced at the culmination of a semester or six-weeks will provide teachers with a means of authentic assessment and a way to gauge student progress in

multiple content areas. Teachers will establish clear standards and targeted competencies and will work with faculty from the University of Memphis to design appropriate rubrics for assessment of student projects. Refinement of these rubrics and establishment of inter-rater reliability will provide teachers with a powerful and authentic assessment tool.

In addition to the measures listed above, regular meetings of grade-level teachers will focus on student progress. The teachers will meet regularly in grade-level groups to discuss the progress of the students in their shared classes using data from teacher observations and interviews, tests, and homework and classwork assignments. During this scheduled meeting time, the teachers will make written notes in student folders on the progress of the student in mastering the concepts or skills studied that week. This information will serve both as a means to assess student progress between written reports and as a data source for tutors and others who will work with students during and after school.

If a student is identified by the teachers as currently failing to make adequate progress, the student's parents will be contacted. Through the use of regular written progress reports for all students and other parental contact, as needed, we will ensure that parents are kept informed of the academic progress of their children.

INTERVENTION AND REMEDIATION

The data gathered through external and internal assessments will serve multiple purposes. It will be used to better adapt our regular instructional program to student needs by allowing us to target specific concepts in the classroom. Moreover, it will also provide information necessary to the design and refinement of our support services.

One primary means of support will be after-school tutoring in ALL academic subjects (excluding Art and Wellness). This tutoring will be conducted by the regular classroom teacher and, therefore, can be specifically tailored to the individual student's needs. Starting at the beginning of the school year, each teacher will be scheduled for one afternoon per week of after-school tutoring from 3:15-4:30 p.m. for 9th and 10th graders and 3:40-4:40 p.m. for 11th and 12th graders. Additional volunteer tutors will be added, where possible. For example, the MBA Middle School currently has a partnership with the Emerging Leaders program at the University of Memphis. In addition, the Voice of Harmony ministry provides after-school tutoring to the middle school students once a week. We plan to extend these partnerships to MBAHS in order to provide tutoring support for all students at risk of academic failure. However, the primary responsibility for the tutoring session will be with the classroom teacher. We believe that this regular, ongoing tutoring will provide a valuable resource for students who need additional assistance with academic work. Students will be referred by teachers for tutoring. However, the tutoring will be available for any student who wishes to attend.

We believe that the combination of small class size, “extra dose” class time, and targeted after school tutoring will provide the learning supports needed for students to be successful. If, however, this does not prove to be the case, the Board is committed to finding effective support strategies for MBAHS students. In particular, if the supports currently in place do not appear sufficient, the Board will examine the feasibility of other strategies that have proven elsewhere to be effective. Our experiences with the MBA Middle School have indicated that it might be necessary to make substantial changes to achieve the desired results. For example, in the first year of operation at MBA Middle, we made significant changes to class configurations and scheduling in order to better serve the needs of students who were at-risk of educational failure. Our results suggest that the targeted interventions that are facilitated by small school size can make a difference in students’ success. We will be open to the same kinds of adaptations if the need arises at MBAHS.

GRADING, PROMOTION, AND RETENTION

Numerical grades will be used for reporting achievement in all subjects. The numerical value upon which grades are based is as follows:

93-100 = A (Excellent)

85-92 = B (Good)

75-84 = C (Satisfactory)

70-74 = D (Poor but passing)

0-69 = Failure

Students receiving special education services will receive grades based on progress toward goals stated in their Individualized Education Program (IEP).

Promotion:

Grade classification in grades 9-12 is based upon the accumulation of Carnegie units:

To be classified as a 10th grader, a student must have earned 5 credits by the end of the 9th grade summer program.

To be classified as an 11th grader, a student must have earned 10 credits by the end of the 10th grade summer program.

To be classified as a 12th grader, a student must have earned 15 credits by the end of the 11th grade summer program.

Students with disabilities may be exempt from promotion/retention standards if an Individualized Education Plan (IEP) team determines that the student does not have the ability

to successfully meet general curricular standards.

Summer intervention opportunities for students who fail a course will be offered wherever possible. However, insofar as charter schools are not required to offer summer school, students are not guaranteed the opportunity to make up credits in the summer.

Graduation:

In order to graduate from MBAHS a student must have earned the following 21 credits by the end of the summer following the 12th-grade year. Four credits of English, 4 credits of Mathematics, 3 credits of Social Studies, 3 credits of Science, 1 credit of Wellness, 2 credits of Foreign Language, 1 credit of Fine Arts and 3 Electives. A student shall not receive a regular high school diploma if he/she fails to accumulate the total number of Carnegie units required by the state of Tennessee.

Students in the 10th grade will take both the PLAN test and the PSAT. The PLAN test will serve as a measure of students' current academic development and as a predictor of success on the ACT. In addition, the PLAN test will be used to provide information to MBAHS personnel and students to assist with career and post-secondary planning. In addition, students in the 10th and 11th grades will take the PSAT. The PSAT will provide students with feedback on strengths and weaknesses on skills necessary for post-secondary success. In addition, the scores of 11th-grade students will be used for students to enter the National Merit Scholarship Competition.

Section 4 – Provide an operating budget based on anticipated enrollment.

Public Charter schools are required to operate under an annual budget on a July 1 to June 30 fiscal year. Provide a realistic, line item estimate of the revenues and expenditures for operating the school from approval through the fifth year of operation.

Budget provided in Attachment A.

The board members of the Memphis Business Academy High School are committed to exercising fiscal responsibility and to ensuring that revenue projections are sufficient to meet the anticipated expenditures. We are also committed to ensuring that the school's resources are utilized as efficiently and effectively as possible. The budget and budget variances will be monitored monthly by the Executive Director and Secretary/Treasurer of the MBAHS Board.

The Memphis Business Academy High School will submit a balanced budget, based upon projected enrollment and revenues, prior to school opening, but in no instance later than June 30 in the first and subsequent calendar years.

Budgetary Assumptions

The budget is founded on the following assumptions:

Revenue

Revenue expectations used:

- \$275,000 for Year 1 and \$200,000 for Year II – Federal Charter School Grants Program
- \$7419 per student - BEP and Title I

We anticipate adding 75 students each year for the first four years for a total of 300 students.

Expenses

Personnel

1. A teacher's salary is based on the MCS teacher salary schedule. For the purpose of the budget, an average salary of \$46,000 per teacher was used.
2. The principal salary is based on the experience level and projected workload. The budgeted salary would be for a principal with limited administrative experience. A certified administrator will be paid at a higher rate.
3. In addition to the principal, the school will also employ an Executive Director. The Executive Director will be paid a salary of \$15,000 per year. Although this is not fair market value for the services rendered, the salary is based upon an in-kind donation of time.
4. There will be one Office Manager who will provide a variety of support services to the Principal and Teachers.

Charter School Application
Section 4, Budget

Memphis Business Academy High School

-
5. An assistant principal will be added in Year IV.
 6. It is anticipated that staff salaries will stabilize in Year 4 when the school reaches full capacity.
 7. A full-time custodian will be hired to clean and maintain the building in Year I. Additional cleaning personnel will be added in Year II.
 8. For the first year of operation, certain support positions (e.g., curriculum coordinator and special education teacher) will be contracted with consultants on a part-time basis. In the second year, a full-time special education teacher will be hired, while the position of curriculum coordinator will continue on a part-time consultant basis.
 9. The position of Parent Liaison will be part-time.
 10. At this time, we do not plan to hire a security guard. Parents will be involved in the supervision of students before and after school as well as extracurricular activities. Given the small size of the high school and our experiences with the middle school, we are confident that the best method for ensuring school safety is the active involvement of parents.

Supplies and Equipment

In addition to the \$475,000 for Year I and Year II, the Federal Charter Schools Grant program would include \$225,000 for the Planning phase (April 2008-June 2008). Currently, \$30,000 of these Planning funds are budgeted to purchase furniture and instructional equipment. Another \$50,000 is budgeted for the purchase of textbooks and other printed materials. However, these funds do not appear on the 08-09 budget because they will be used prior to the start of the fiscal year.

Costs for Administration Equipment are highest in Years I and II when high-end equipment (copiers, printers, computers) are purchased. Year III-V include only the costs of periodic replacement of these items (e.g., computers and printers).

Food service equipment (warmers and coolers) will be purchased in Year I and will serve the student capacity for the first two years. Additional equipment will be added in Year III.

Health Services

A nurse will be contracted for 1 day per week of direct services and 4 days per week of "on-call services."

Overhead

The Memphis Business Academy High School will lease space in the Faith United Methodist Church (FUMC) building. MBAHS will pay rent to the church at the following rates:

Year 1	\$6000 per month
Year 2	\$7000 per month
Year 3	\$8000 per month

Charter School Application
Section 4, Budget

Memphis Business Academy High School

Year 4	\$9000 per month
Year 5	\$10000 per month

Utility cost is based on the average expenses of FUMC per month and estimates of the utility costs for Monday-Friday operation. The aforementioned cost will be paid according to FUMC's average cost per month.

Fiscal Services

The school's payroll will be prepared by Paychex at a monthly rate of approximately \$300.

Capital Improvements

Capital improvements for the addition of classroom space will be made beginning in Year III.

Section 5 - Describe the method for conducting annual audits of the financial, administrative, and program operations of the school.

Immediately after the end of the fiscal year (June 30), charter schools must furnish to the local board of education, the special joint oversight committee on education, the commissioner of education and the Comptroller of the Treasury an annual audit prepared by certified public accountants or by the department of audit. Describe the methods the school will use to complete this audit and to conduct reviews of the school's administrative and program operations.

A well-run financial operation is a good indicator of performance of the school as a whole and of its leadership. Consequently, the plan for budgeting and financial management demonstrates that the goal is not only to manage costs, but also to utilize school funds most efficiently.

The primary operating principles are:

- Ensuring that there are adequate processes, procedures, and internal controls to safeguard assets.
- Prioritizing spending to affect fundamental educational change.

As required by law and to assure that a thorough audit of the school's administrative and program operations is conducted, the Memphis Business Academy High School, will arrange with a public accounting firm on an annual basis to conduct an external audit in compliance with General Accounting Principles. The auditing process will be a methodical examination of financial records, which will conclude with a public report of the findings.

The purpose of MBAHS's financial audit will be the determination of whether the *financial statements* are free of material misstatements. The audit will include an examination of *evidence* supporting the amounts and disclosures in the financial statements. The audit will also include assessment of the *accounting principles* used and *significant estimates* made by management.

As part of the audit, the auditor will consider *internal controls*. The auditor is required to obtain an understanding of internal control by performing procedures to understand the design controls relevant to an audit of financial statements and to federal financial assistance, and to assess whether the controls are operational.

To be able to conduct a successful audit, the auditor will have access to various financial and, in some instances, non-financial records and documents maintained by the school.

Preparation for the annual audit by a school will begin with the preparation and adoption of the

Section 5, Audits & Financial Administration

budget and continue throughout the year. The list of schedules and documents prepared, collected, and provided to auditors that may enhance the performance of the annual audit are:

1. Copies of the budget and amendments as adopted.
2. Copies of the minutes of each Board meeting and monthly financial statements.
3. Copies of an organizational chart showing lines of responsibility.
4. Copies of bank reconciliations for each bank account.
5. A list of all depositories and their addresses, including bank account numbers and account names.
6. A list of all investment transactions by fund for the year.
7. A list of outstanding encumbrances that were closed out and included in the succeeding budget.
8. A schedule of insurance in effect, which should include names of companies, types of coverage, inclusive dates of the policies, and total cost per policy.
9. Reconciliation of payrolls and related accounts such as payroll taxes and retirement deductions.
10. Copies of all contracts including teacher contracts and leave schedules, if appropriate.
11. Copies of lease agreements.
12. Copies of trial balances and, if possible, the financial statements, footnote disclosures, and combining schedules.
13. Copies of the prior-year audit report and other audit reports prepared by the internal auditors or other government auditors/agencies.

In addition to the listed items, the school will make available to the auditor schedules prepared to support the financial statements or notes to the financial statement amounts. MBAHS will supply other information that may be requested by the auditor. Early agreement on the scope and nature of the information requested will be an administrative priority.

Financial accounts will be set up in keeping with those included in the budget document required as part of this application and will include:

- Personnel
- Instructional materials
- District support
- Facilities
- Service contracts
- Reserve

Audit Summary Points

1. MBAHS's Board of Directors will set up a system of internal control. The Board of Directors must approve any budget change over \$5,000.

2. Documentation from an audit conducted by an accountant certified by the State of Tennessee with knowledge of school budget and accounting procedures will be performed annually and provided to the Academy's Board of Directors, the Commissioner of Education for the sponsoring district, MCS, and the State Comptroller of the Treasury.
3. The Executive Director of the Memphis Business Academy High School will serve as the chief fiscal officer for the school.

Review of School Administration and Program Operations

Each month the school's Executive Director will conduct a self-audit developed by the Board with assistance from the external auditors, using procedures that anticipate that of a state-certified accountant. The purpose of this audit will be to determine if MBAHS is adhering to established internal controls and working within its operational budget at a pace that will allow the school to have adequate resources throughout the academic year. The monthly audit will review many of the issues a yearly audit covers. These findings will be submitted to the Secretary/Treasurer and ultimately to the Board of Directors of MBAHS during the monthly meetings held to discuss school administration and program operations. In these meetings, the Board of Directors will evaluate the internal audit findings and determine the necessary actions, if any, to remedy any issues that might arise.

Charter School Application
Section 6 Timetable

Memphis Business Academy High School

Section 6 – Provide a timetable for commencing operations as a public charter school which shall provide for a minimum number of academic instruction days, which shall not be fewer than those required by statute.

Describe the school's start-up timeline, from charter approval to the first day of operation. Summarize the school's daily and annual calendar, indicating the number of academic instruction days.

The following is the proposed timeline for startup:

Upon approval	<ul style="list-style-type: none">• Visit existing charter schools in Memphis and across the nation• Determine the renovation/improvement needs of the school site (A location for the facility has already been established and approved. The school will be located in Faith United Methodist Church)• Solicit bids for renovation/improvement of school site• Begin (continue) site renovation/improvement• Develop and approve policies and procedures• Create job profile for principal position and office manager• Assess probable enrollment status (i.e., How many students will transition from MBA Middle to MBAHS?)
February 2008	<ul style="list-style-type: none">• Recruit and hire principal• Advertise for and hire office manager• Create job announcement for teachers• Develop and distribute student enrollment and advertising materials• Continue site renovation/improvement
March 2008	<ul style="list-style-type: none">• Begin teacher recruitment and hiring• Begin accepting student applications• Begin curriculum development• Continue site renovation/improvement
April 2008	<ul style="list-style-type: none">• Advertise school through: brochures, neighborhood canvassing, public service announcements on radio/television, church and other non-profit networks, informational community meetings• Continue student enrollment• Continue recruitment and hiring of teachers• Continue curriculum development• Complete site renovation/improvement• Design plan for professional development

Charter School Application
Section 6 Timetable

Memphis Business Academy High School

May 2008	<ul style="list-style-type: none"> • Continue curriculum development • Complete recruitment and hiring of teachers • Continue student enrollment - Hold open house at school site • Send out initial admission letters (May 1) • Purchase textbooks and instructional supplies
June 2008	<ul style="list-style-type: none"> • Continue admission process for unfilled seats • Continue curriculum development • Purchase school equipment and furniture
July 2008	<ul style="list-style-type: none"> • Parent orientation and grand opening celebration • Teacher professional/curriculum development
Aug 2008	<ul style="list-style-type: none"> • School opening

2008-09 School Calendar (Tentative):

DATE	EVENT	STUDENTS OUT
August 4, 2008	First Day of Classes	
September 1, 2008	Labor Day	1 day
September 26, 2008	Teacher Planning	$\frac{1}{2}$ day – 11:30 Dismissal
October 3, 2008	Fall Break	1 day
October 6, 2008	<i>Parent-Teacher Conferences (4-7 PM)</i>	1 day
November 26-28, 2008	Thanksgiving Break	3 days
December 17-18	1 st Semester Exams	
December 18, 2008	Last day of 1 st Semester	
December 19, 2008	Administrative Day	1 day
December 20, 2008-January 2, 2009	Winter Break	11 Days
January 5, 2009	Administrative Day (<i>classes resume January 6, 2009</i>)	1 day
January 6, 2009	1 st Day of Second Semester	
January 19, 2009	Dr. Martin Luther King, Jr. Holiday	1 day
February 16, 2009	<i>Parent-Teacher Conferences (12-3 PM)</i>	1 day
March 6, 2009	Abbreviated Day	$\frac{1}{2}$ day - 11:30 Dismissal
March 16-20, 2009	Spring Break	5 days
April 10, 2009	Spring Break	1 day

Charter School Application
Section 6 Timetable

Memphis Business Academy High School

May 25, 2008	Memorial Day	1 Day
May 28-29	2 nd Semester Exams	
May 29, 2008	Last Day of School	

The MBAHS calendar will follow the MCS calendar with the following exceptions:

- MBAHS will begin school one week before MCS.
- MBAHS will continue school one week after MCS.
- January 5, 2009 will be an administrative day for faculty.

The total number of instructional days will be 188.

Teachers will report to work on Wednesday, July 16, 2008. They will be involved in professional development and curriculum planning as a group from July 16-July 30. The dates of July 31st and August 1st will be reserved for teachers to work individually on setting up their rooms and preparing for the school year.

Daily Schedule for Students in Grades 9 & 10

The design of the MBAHS schedule has been shaped by several factors.

First, it is our intent to create classes that are longer in duration to ensure maximum instructional benefit each day. Based on our experiences with the **MBA Middle School**, we have learned that **class periods of 1 hour and 20 minutes provide teachers and students with additional instructional time without leading to the inefficient use of class time that we witnessed with longer class periods**. A second factor that shaped our design of the MBAHS schedule was our experience with extended-day schedules. We learned in the first year of operation at MBA Middle School that extending the school day significantly for all students was a case of diminishing returns. A significantly longer school day did not seem to benefit student learning in the ways intended. For these reason, our goal in designing the MBAHS schedule was to extend the duration of individual classes without substantially extending the larger school day. We did this by creating a schedule with five 80-minute class periods rather than six 55-minute class periods. All students in grades 9 and 10 will follow the schedule below:

7:30-7:45	Homeroom
-----------	----------

Charter School Application
Section 6 Timetable

Memphis Business Academy High School

7:45-9:05	Period 1
9:10-10:30	Period 2
10:35-11:55	Period 3
11:55-12:25	Lunch
12:30-1:50	Period 4
1:55-3:15	Period 5

Daily Schedule for Students in Grades 11 & 12

A problem created by the five-period schedule was an insufficient level of credit production. In other words, students would not be able to accumulate enough credits in four years to meet the graduation requirements of Memphis City Schools. Our solution for this problem will be to adjust the schedule for 11th and 12th graders so that they will take six classes. The classes will be longer than the typical 55-minute periods but not quite as long as the 80-minute periods of the 9th and 10th grades. The school day for the 11th and 12th graders will be slightly longer than that of the 9th and 10th graders. As upperclassmen, we believe that these students should be better positioned to take advantage of this extended-day schedule. In addition, the staggered dismissal times will reduce congestion in and around the school building. The schedule for students in grades 11 and 12 is shown below:

7:30-7:45	Homeroom
7:45-8:55	Period 1
9:00-10:10	Period 2
10:15-11:25	Period 3
11:25-11:55	Lunch
12:00-1:10	Period 4
1:15-2:25	Period 5
2:30-3:40	Period 6

In addition to the regular school day schedule, academic tutoring will be held on Monday-Thursday afternoons for students in need of academic support (from 3:15-4:30 for 9th and 10th graders and from 3:40-4:40 for 11th and 12th graders). A schedule will be established to ensure that tutoring in each academic subject is available at least one day per week for the entire school year. Each subject area teacher will be responsible for tutoring one day per week.

Section 7 – Explain the proposed rules and policies for governance and operation of the school.

Describe the key rules and policies that will provide the governance and operation of the school, including the composition of the governing board, the terms of its members, its officers, and its committees. Explain the decision-making process the board will use to develop school policies. Detail how the board will exercise financial oversight of the charter school.

The Board of Directors, the Executive Director and the Principal of the Memphis Business Academy High School will be responsible for the governance and operation of the school. The Board of Directors of the Memphis Business Academy High School will include 5-8 members. The Board will be composed of leaders from area businesses, business organizations, education, and non-profit organizations. Members from the local community will also be included on the Board. The names and a brief summary of each member are included in the next section and the resumes of each the members are included in the Appendix, Attachment B. Board members will be chosen for the commitment to the philosophy of the school and to ensuring the successful outcomes of the school. The Board will be responsible for establishing the vision of the school, assuring that appropriate actions are being taken to ensure that the vision is being realized, and taking corrective action as needed. Initially, the Board will meet monthly in order to ensure timely review and monitoring of the school's progress and activities and to make any necessary changes as quickly as possible. The by-laws included in Section 16 provide specific details for the operational rules of governance and polices for conducting business for the Memphis Business Academy High School. The Board of Directors will show a strict commitment to the Open Meetings, Sunshine Act, found in the Tennessee General Law.

Upon approval of the school, a two-day retreat will be held to (1) develop a strategic plan for the school and (2) develop polices and guidelines that will be used to govern the new school.

During the process of reviewing and considering any policy or policy creation/modification, the Principal and Executive Director will be continuously involved. The Board will rely upon the Principal and Executive Director to discuss the feasibility of any policy that is being proposed for the Memphis Business Academy High School. The Board, with the exception of policies that pertain to their positions, will expect the Principal and Executive Director to be instrumental in all policy development. The Board will rely upon the Principal to convey all policies, and policy changes, to his/her staff.

The Executive Director will serve as the intermediary between the Board of Directors and the Principal of the Memphis Business Academy High School. The Board of Directors will not be directly involved in the day-to-day operation of the school. The Executive Director will provide

day-to-day operational oversight. The Principal will report directly to the Executive Director. In addition, the Executive Director will serve as the financial agent of the school with discretion to contract for services, make payments and purchases (up to \$5000), or to approve purchases by others (up to \$5000).

The number of the Directors of the Memphis Business Academy High School shall be no fewer than five and no more than 8. Board members will serve a maximum of two three-year terms. Terms will be staggered to ensure the knowledge and continuity of the board. The officers will be the Chair, Vice-chair, Secretary/Treasurer. Because of the small size of the Board, no standing committees will initially be established. However, ad hoc committees will be assigned as needed.

Specific Functions/Powers of Directors

Fiscal oversight is one of the most important aspects of the board's responsibilities; therefore; the Board's fiduciary responsibility will receive critical attention during the first year of MBAHS operation. The Board will provide intense financial oversight of the school's funds to ensure that they are being efficiently, effectively, and appropriately spent. Monthly financial reports will be provided to the Board by the Executive Director.

According to the By-laws, the Board of Directors will also have the power:

10. To elect and remove Directors.
11. To select and remove officers, agents, and employees of the Memphis Business Academy High School.
12. To design and approve the job descriptions for all employees.
13. To make rules and regulations that will assist the Principal and Executive Director with the day-to-day operations of the school.
14. To negotiate all contracts in excess of \$5,000.00 that are necessary for the day-to-day operation of the school.
15. To make all decisions necessary for the investment of funds.
16. To acquire real or personal property, by purchase, lease, gift, devise, bequest, or otherwise, and to hold, improve, lease, sublease, mortgage, transfer in trust, encumber, convey, otherwise dispose of such property.
17. To borrow money, incur debt, and execute and deliver promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, and other evidences of debt and securities.
18. To review monthly financial statements.

The Board of Directors will make and monitor the policies for the MBAHS. The Board of Directors will supervise and evaluate the performance of the Principal and Executive Director. The Principal will be responsible for the hiring and termination of teachers and staff.

The Board will review each resume and interview findings of a prospective teacher before an offer can be made. In the event that a terminated teacher or other staff member wishes to appeal the termination, that appeal will be made to and considered by the Board of Directors. As noted previously, the Board will work with the Principal and Executive Director toward the implementation of all policies and procedures.

Section 8 – Provide the names and addresses of the members of the governing body.

Summarize each board member's relevant experience and qualifications and attach their resumes. Provide contact information. Briefly explain how these members will help contribute to your school's mission.

Members of the board will be selected based on their personal skills and professional expertise as well as their commitment to education and their support the philosophy and educational initiatives of the school. Each of the current board members is committed to the success of the school, and each brings a specific expertise to the board that will be invaluable to the establishment and ongoing oversight of the school.

The Board of the Memphis Business Academy High School will be responsible for directing the school's operation to ensure high standards of integrity and leadership in the areas of fiscal management, accountability for academic excellence and policy-making for school processes and procedures. Board composition creates a working group that will dynamically further the vision of MBAHS.

Names, addresses, and a short summary for each of the current members of the Board are listed below. They possess a wide variety of experience in education, business management, finance, and non-profit governance. Complete resumes are included in the **Appendix, Attachment B.**

Dr. Celia K. Rousseau (Chair), 401D Ball Hall, University of Memphis, Memphis, TN, 38127

Dr. Rousseau is currently an assistant professor in the Department of Instruction and Curriculum Leadership at the University of Memphis. She has served as a member of the Board of Directors of the Memphis Business Academy, Inc. for the past three years. In addition, she has been actively involved in the start-up and operation of the Memphis Business Academy Middle School in the areas of personnel, finance, curriculum, accountability, and professional development. As such, she brings critical experience to the chair position of the governing board of MBAHS.

Dr. William Byrne, P.O. Box 114, Pocahontas TN 38061

For over a decade Dr. Byrne has been a social and educational activist in the Frayser community. He serves on numerous non-profit boards

and is currently president of the non-profit, Tennessee Mentorship. His knowledge of and connections with the Frayser community will be invaluable as MBAHS seeks to serve students in the Frayser area.

Rev. Joe Moseley, 3021 S. Glengarry Rd., Memphis, TN 38128

Rev. Moseley was also selected for the board as a result, in part, of his connections to the Frayser community. He grew up in Frayser and currently serves a United Methodist Church in the Frayser area. In addition, he has substantial experiences in grant-writing, having served in the grant-writing division of the United Methodist Church.

Rudy Walker, 9368 Brancaster Drive, Cordova, TN 38016

Mr. Walker is a Sr. Consumer Sales Manager/SVP with Regions Bank. He brings to the board experiences in finance and marketing with over 15 years in the banking industry.

Lieutenant Anner Moss, 201 Poplar Ave., Memphis, TN 38103

Lieutenant Moss is a member of the Memphis Police Department. As such, she brings to the board experience working with youth in the Memphis area.

Clyde M. Crutchfield, 269 Burrows Road, Collierville, TN 38017

Mr. Crutchfield is an attorney specializing in real estate. He brings to the board not only a knowledge of real estate, but also connections to the legal community. He also has experience as a member of several other non-profit boards.

Clinton Miller, 1782 Greenview Circle, Memphis, TN 38108

Mr. Miller teaches criminal justice at Trezevant Career and Technology Center. He has extensive experiences combining law enforcement, social work, and education as well as a strong interest in charter schools. His experiences with K-12 education will provide important resources for the MBAHS Board.

Charter School Application
Section 9, Enrollment and Admission

Memphis Business Academy High School

Section 9 – Describe the anticipated student enrollment and the non-discriminatory admission policies.

Provide the number of students you anticipate to enroll for each of the first five years of the school's operations. Detail any planned outreach and recruitment strategies. Describe how the school will proceed if applications exceed the number of available spaces. Explain how your recruitment plan and admission policies will comply with state and federal law regarding nondiscrimination.

Enrollment:

Research suggests that small class size can make a positive difference in student achievement. Classes of 13-17 students have been shown to be particularly effective for urban, minority students. Although it is not financially feasible to maintain classes at these levels, every effort will be made to minimize the number of students in each class. For this reason, the Memphis Business Academy High School will maintain class sizes of no more than 20 students per class. Based on this class-size goal, anticipated student enrollment for the first five years of the school's operation is reflected in the table below.

School Year	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Grade levels	9	9, 10	9, 10, 11	9, 10, 11, 12	9, 10, 11, 12
Enrollment Increase	75	75	75	75	0
Total Enrollment	75	150	225	300	300

Outreach and Recruitment Strategies:

The primary student base of the Memphis Business Academy High School will be students matriculating from the Memphis Business Academy Middle School. It is anticipated that at least 75% of the initial 9th grade class of the Memphis Business Academy High School will be comprised of current 8th grade students from the Memphis Business Academy Middle School. As such, recruitment strategies will be focused on enrolling approximately 20-25 students each year who will be new to the MBAHS system.

Since the Memphis Business Academy High School is located in the North Memphis/Frayser

Charter School Application
Section 9, Enrollment and Admission

Memphis Business Academy High School

area and transportation will not be provided at this time, initial recruitment efforts will be focused on the surrounding North Memphis/Frayser neighborhoods. However, the school will maintain an open enrollment policy, and qualifying pupils from any area of town will be accepted. The primary focus of the school's initial recruitment efforts will be to attract students from nearby schools that have been placed on the list of high priority schools. Efforts to reach out to the community and recruit potential students will be conducted in a variety of ways including:

- Developing a website and having that website registered with a number of search engines including Google and Yahoo, as well as having links to the website from education and community based organizations to which individuals might go for information on local charter schools. These sites would include the Tennessee Department of Education and the Memphis City Schools.
- Conducting open house and community informational meetings at a variety of times and locations;
- Neighborhood canvassing;
- Distributing promotional and informational materials to a variety of community groups and bulletin boards, as well as, library branches, and churches;
- Public service announcements on local radio and television stations;
- Press releases
- Advertising, if indicated, in local publications.

Selection Process:

As required by the state law, participation in the Memphis Business Academy High School shall be based on parental choice. However, admission will be restricted to students who are currently enrolled in a charter school, those who would otherwise be enrolled in schools that have been identified by the state as failing to make adequate yearly progress, or those who failed to test proficient on the TCAP or Gateway in language arts/reading or mathematics. A student leaving middle school will be eligible for acceptance to MBAHS if he/she resides within the attendance zone of a high school on the state's target list. Any student currently enrolled in a high school on the state's high priority list will also be eligible to attend MBAHS. Any pupil meeting one of the three admission criteria who submits a timely, completed application for the MBAHS shall be eligible for acceptance regardless of the area of town in which the pupil resides.

Admission to the school will be on a **first-come, first-served** basis. We will begin accepting application packets on March 1, 2008. As soon as a student submits a complete application packet, his/her name will be placed on an ordered admissions list. The student will not be added to the admissions list until a complete application packet is received. If admissions to

Charter School Application
Section 9, Enrollment and Admission

Memphis Business Academy High School

MBAHS reach the 75-seat maximum (per grade level) before the valid applications are exhausted, a waiting list will be established, and students will be placed on the list in order of application.

Initial admission letters will be sent out to parents beginning May 1, 2008 following confirmation from MCS of that a valid choice transfer has been processed.

Compliance with State and Federal Non-discrimination Laws:

MBAHS will not discriminate against any student on the basis of ethnicity, national origin, religious affiliation, gender, or disability in compliance with Federal and State non-discrimination laws, and recruitment efforts will be designed to include all populations.

Section 10 – Explain the code of behavior and discipline of the proposed public charter school.

Describe the school's proposed policies regarding student behavior and discipline, including the standards of behavior and the school's approach to encouraging positive behavior. Detail how these policies will create an environment of learning.

Introduction

The Memphis Business Academy High School Board of Directors has a vision and set of expectations for academic achievement and for conduct on school property and at school functions. These expectations are based on the principles of civility, mutual respect, citizenship, character, tolerance, honesty and integrity. The ultimate goal of the school's behavior/discipline-related policies and procedures is to encourage positive behavior and academic achievement, to discourage inappropriate/disruptive behavior, and to ensure a safe environment that allows students to focus on learning. The Board recognizes the need to clearly define these expectations for acceptable conduct on school property, to recognize and reward those students adhering to those policies and procedures, to communicate the possible consequences of unacceptable conduct, and to ensure that these consequences are fairly applied.

The teacher will be primarily responsible for the management of classroom behavior and discipline and for ensuring that everyone's rights are protected in the classroom environment. A teacher may recognize and reward positive behavior or assign consequences if problems occur. Repeated difficulties or problems of a more serious nature may be referred to the Principal for action.

It is also the board's responsibility to ensure that discipline, when necessary, is administered promptly and fairly. To this end, the board adopts the following code of conduct ("code").

All behavioral examples, procedures, and possible disciplinary responses apply to student behavior:

- in school
- on the grounds of the school
- during school activities, including evening or weekend events
- during school sponsored field trips (from time of departure to return to school)
- occurring off the school property with the potential to affect on interpersonal relations within the school

Behavior Expectations

Memphis Business Academy High School students are expected to demonstrate a high level of respect for the rights of others and for authority, and the proper regard for private and public property. Students are expected to conduct themselves in a manner that promotes a safe and orderly learning environment within the school. Because every possible act of misbehavior cannot be anticipated, there cannot be a rule to cover every possible situation. Students are expected to use common sense and to act appropriately at all times, in accordance with these standards. The specific rules listed below are provided as examples of the behavior expected of students.

STUDENTS WILL:

1. Demonstrate respect for their teachers, other adults, other students and property.
2. Heed teacher requests or directions at all times.
3. Behave in a manner that does not distract or disrupt classroom learning.
4. Refrain from fighting.
5. Use acceptable language in school. Profanity and obscene gestures will not be tolerated.
6. Remain on school property during school hours.
7. Be in assigned classes/areas at designated times, and not leave the classroom without permission.
8. Safeguard school property, including taking care of books, magazines, workbooks, other materials, and facilities.
9. Maintain cleanliness inside and outside the school building.
10. Refrain from consumption of food or drink (other than water), other than at lunch unless through prior arrangement with teachers.
11. Present school documents or parental notes when due.
12. Present absentee notes to school the day after being absent and tardy notes the day of tardiness.
13. Report for all tutoring as assigned, and behave attentively during tutoring sessions.
14. Refrain from possessing any dangerous or disruptive objects.
15. Refrain from possessing cigarettes, alcohol or drugs.
16. Refrain from possessing electronic devices such as cell phones, video games, walkie-talkies or pagers while engaged in school activities.
17. Refrain from selling items in school without specific authorization from school officials.
18. Adhere to all other rules established by the school (for example, not wearing hats, or chewing gum in school).

The teacher is primarily responsible for ensuring that individual rights are protected in the classroom environment. A teacher may assign consequences if infractions occur. Repeated infractions or those of a more serious nature may be referred to the Principal for action.

Failure to meet any of these behavioral expectations will, at the discretion of the Principal, result in a warning or other appropriate consequences. The Principal will first meet with the student, and

the consequence will be assigned the day of that meeting or shortly after that. A violation of any of the above rules that is sufficiently serious may result in suspension.

In addition to a serious violation of one of the rules listed above, students will be immediately suspended or expelled from the school for the following offenses that jeopardize either student safety or the educational process:

1. A student having in his/her possession at school or having brought to school any firearm, explosive, or a dangerous weapon (or a look alike) or using any object to inflict injury on another person (including shining a laser pointer in a person's eyes)
2. Committing battery against school personnel or designated visitors
3. Assaulting another student (resulting in injury)
4. Breaking in or causing malicious damage to school property
5. Insubordination toward school personnel, including threats or abusive language
6. Repeated and/or serious misconduct on a school sponsored vehicle
7. Falsely activating the fire alarm or making bomb threats
8. Possessing, selling, or suspicion of using alcohol, unlawful drugs, look alikes, or unauthorized prescription drugs on or near the school premises or at a school sponsored activity
9. Possession of drug paraphernalia
10. Being under the influence of alcohol and/or other drugs
11. Fighting (involving serious injury)
12. Gang-related activities and/or gang paraphernalia
13. Sexual misconduct (consensual and sexual harassment)
14. Serious threats against other students

Disciplinary Actions and Procedures

All disciplinary policies/procedures are developed and overseen by the Memphis Business Academy High School Board of Directors. No student shall be disciplined without being afforded appropriate due process. Prior to any disciplinary action, the student should be informed of the charges against him/her and the facts that led to those charges, and be given an opportunity to present his/her account of the situation. This hearing must occur before a student may be directed to leave school, unless the student's conduct presents a threat to the physical safety of that student or others or is so disruptive as to make the student's immediate removal necessary to promote the rights of other students to pursue education.

Suspension is the temporary exclusion of a student from school for a specified number of days, not to exceed the maximum allowed by law. The number of suspension days assigned depends

upon the nature of the offense and is determined by school administration.

Suspension from school is considered to be an extreme measure, with a primary purpose of redirecting the attitude and behavior of a student. The Board of Directors of the MBAHS intends for all students to have the opportunity to learn everyday. However, the goal of keeping students in school must be balanced with the learning needs of the community. Therefore, suspension will be used only when all other disciplinary options have failed to change disruptive student behavior or when the presence of the student represents a credible threat to student safety.

The Principal has the power to suspend pupils for sufficient reason for a period not to exceed ten days. The student and his/her parents are given an opportunity to be heard within 24 hours of the completion of the investigation and notice to the parents that the student is facing short-term suspension.

In all cases of suspension, the suspended student's parents/guardians will be notified by telephone as soon as possible after the suspension is assigned, preferably on the same day. The Principal will also provide the parents with a written report of the reasons for suspension, the period of suspension, the procedure for reinstatement and the student's right to appeal the decision. This report will be given to the parents within one working day of the Principal's final decision regarding the suspension. As a condition of reinstatement, the student must reassure the Principal, in the presence of the parents, of his/her intent to improve his/her attitude and behavior.

Repeated suspensions for any student are seen by the school as an indication of problems that are likely to have an adverse long-term effect on the student's classroom performance. This will result in a pre-referral process to determine appropriate interventions. Parents or guardians will be involved in that process along with the student's teachers, a counselor, and the Principal.

Following the third suspension of a student within a given school year, the Principal, based upon the seriousness of the offense and the number of suspensions during the school year, may recommend expulsion from school. The Board of Directors will not expel a student permanently from school without granting the student and his/her parent or guardian an opportunity to be heard.

In addition to a student's third suspension in a school year, the following infractions may result in expulsion by the Principal:

- Possession of a dangerous weapon
- Possession of a controlled substance

-
- Assault on any member of the educational staff

Storage Area Searches

It is the school's policy to conduct periodic inspections of storage areas to assure that weapons, illegal drugs, alcoholic beverages, stolen property, etc. are not stored. Students should also be aware that storage areas remain the property of the Memphis Business Academy High School and are subject to search by school officials at any time. These searches may be conducted without warning.

Uniform Policy

In an effort to remove distractions from the learning environment, students at the Memphis Business Academy High School will wear uniforms. The Board of the MBAHS will consult with parents to decide upon an affordable, neat uniform of a similar type as those worn at the Memphis Business Academy Middle School.

Written Code of Student Conduct

The following is the code of conduct to be signed by students:

Memphis Business Academy High School is a peaceful academic community where each individual shows respect for and is respected by others. As a member of this community, I will make every effort to adhere to the basic principles of Respect, Academic Responsibility, Safety & Security, and Dress Code Accountability.

RESPECT

- I will not use physical or verbal violence against others.
- I will not use insulting, foul, or vile language.
- I will not harass others nor will I desecrate the race, religion, appearance, gender, ability or disability, or sexual orientation of others.
- Unless I am given permission, I will not take, use, or borrow something that doesn't belong to me.
- I will show respect and care for the property loaned to me by the school, and/or classmates. IF I DO NOT TAKE CARE OF SCHOOL PROPERTY, I WILL PAY THE PROPER FEES OR MY REPORT CARD WILL BE HELD.
- I will show respect and care for all parts for the entire Memphis Business Academy High School campus (inside and outside - including bathrooms, hallways, stairs, offices, and classrooms). If I damage, or lose something loaned to me, I will replace it or pay for it.
- I will not chew gum.
-

ACADEMIC RESPONSIBILITY

- I will arrive to school on time. If I am late, my parents will call the school and provide a written excuse.
- I will arrive to class on time. I will not socialize with colleagues for an extended time in the hallways.
- I will complete my classwork and turn it in on time.
- I will come to class prepared to work.
- I will be an excellent student year round, and not expect to make up work in summer school. (Summer school is not given for every grade and every subject; do your best work year round.)

SAFETY AND SECURITY

- Any items that are contraband and brought to campus may be confiscated, and MAY NOT BE RETURNED – including candy and food.

-
- I will never bring cigarettes, alcohol, drugs, gang related materials, to school or a school function. I will never bring matches, lighters, weapons, or fireworks to school or any school function.
 - I will avoid gang paraphernalia, symbols, written codes, words, colors, hand signs, and language.
 - I will not leave Memphis Business Academy's campus before the end of the school day, or scheduled after school activities, without written permission of my parents that will be presented to the school authorities *before* leaving.
 - I will not open windows, without permission of school authorities, or throw anything out of a window.
 - I will not touch any part of the school's alarm or fire system. I will not place anything near emergency sprinklers on the ceiling.
 - I will not bring electronic devices, such as cell phone, video camera, games, walkie talkies, Ipod, DVD or CD players, or pagers to school.
 - I will not sell items at school without specific authorization from school.

DRESS CODE ACCOUNTABILITY

- I will adhere to dress code policies during school and school functions.
- I will wear a black or brown belt with clothes that have belt loops.
- I will not wear distractive or characterized socks, heavy coats in the building, bandannas, sunglasses, caps, visors, t-straps, back out shirts, spaghetti straps, house shoes, flip flops, stiletto heels, or heels higher than 1 and ½ inches.
- I will not wear long chains or necklaces, nose, lip, or eye rings. Males will not wear earrings.
- I will not sag my pants, or wear clothing that shows body parts. Shirts must be tucked into pants.
- Only black or white t-shirts may be worn under uniform shirts.

Code of Conduct Signature Page

Code of Conduct Signatures

The undersigned acknowledge that they have read and understand the Code of Conduct of the Memphis Business Academy High School.

I, _____, have read and reviewed the **CODE OF CONDUCT** contained in the student assignment book with my parent/guardian and fully understand its content

Student Signature: _____

I have reviewed the Memphis Business Academy High School **Code of Conduct** with my child and fully understand its content.

Parent/Guardian Signature: _____

This page must be signed and returned to the student's homeroom teacher.

In the event of violations of the code of conduct, the following steps will be taken:

MBAHS Discipline Plan of Action

- 1st Offense** Parental Contact – Each teacher will contact parent about student's behavior.
- 2nd Offense** Parent & Student Written Plan of Action
- 3rd Offense** Mandatory Parent Conference – If the parent does not have the conference within 3 business days of the offense, the student will receive a one day home suspension. If the parent does not pick up the child at time of suspension, we will contact Juvenile Services because that child is considered trespassing at that point.
- 4th Offense** Mandatory Parent Chaperone – Within 5 working days, the parent must agree to spend the school day in the class to observe student behavior and provide possible recommendations. If not, the student receives a two day home suspension.
- 5th Offense** Continuous Insubordination will result in a 2 day home suspension.
- 6th Offense** 5 day home suspension
- 7th Offense – Final** Parent, student, teacher meeting - It will be suggested that this child not remain at MBAHS.

Fighting – Zero Tolerance

Under no circumstances, will fighting be tolerated. All situations will be fully investigated to ensure proper punishment. Fights happen for different reasons, such as bullying aggravating, or instigating. All involved parties will receive punishment, even if the student was operating in self-defense.

- 1st Offense** Two Day Home Suspension
- 2nd Offense** 5 Day Home Suspension
- 3rd Offense** Conference – Recommendation that child not remain at MBAHS.

The Memphis Business Academy High School Code of Conduct and Discipline Plan of Action may be altered at the discretion of administration, esp. in serious, dangerous, or abnormal cases.

Section 11 – Detail the plan for compliance with the applicable health and safety laws and regulations of the federal government and the laws of the state of Tennessee.

Describe how the school plans to adhere to the requirements of the health and safety laws and regulations of the federal and state governments.

Establishing and maintaining a teaching/ learning environment that promotes wellness, health and safety is a primary responsibility of the Memphis Business Academy High School governing board. Policies will be developed in accordance with all applicable health and safety laws and regulations of federal and state government as they pertain to public school operation. Policies will initially address the following topics:

- student/employee provision of required health records
- documentation of all required immunizations
- staff TB clearance
- prevention of contact with blood-borne pathogens
- "first aid" and emergency medical care with injury/illness
- management of prescribed and over-the-counter medications on school grounds
- structural compliance with fire, infection control, asbestos, air quality, and seismic regulations
- establishment of an alcohol/drug/tobacco/violence free environment
- employee submission to criminal background checks
- student accidents
- response to emergencies on school grounds
- response to community-wide emergencies
- reporting of suspected child abuse/neglect
- information management regarding student medical conditions
- reporting of suspected sexual harassment
- execution of policies and procedures to safeguard security of the school perimeter and premises

Other topics for policy establishment will be determined via review and compliance with 2008-2009 Memphis Board of Education Policies and Procedures as pertinent to contemporary and legal issues of health and safety in the school environment.

The governing board will charge the MBAHS Principal with enforcement of these policies as they pertain to students and staff. The school Principal will provide current and complete in-service training for students and staff to assure initial and continued compliance with health/safety policies. In addition, the school will contract with a local health service agency to provide nursing services and ongoing compliance with the health and safety policies. (The current contract for MBA Middle is with Intrepid).

Policies and procedures relative to health and safety will be incorporated

**Charter School Application
Section 11, Health and Safety**

Memphis Business Academy High School

into the school's student and employee handbooks with periodic review and revision as dictated by changes in legal, regulatory and social/ environmental factors.

Section 12 – Describe the qualifications required of employees of the proposed public charter school.

All teachers in a school must have a current valid Tennessee teaching license, or meet the minimum requirements for licensure as defined by the state board of education. Indicate the number and type of teachers and other school staff to be hired. Describe the qualifications you will require of staff. Detail how these attributes will help support the school's mission and goals. Explain your plans for the professional development and evaluation of staff.

EXECUTIVE DIRECTOR

One of the Executive Director's primary responsibilities will be as a business manager for the school. He/she will oversee the day-to-day operation of the school and ensure that the school remains fiscally sound. As such, the Executive Director must possess a background in business or finance and/or a strong understanding of charter school funding and finances. He/she will play a key role meeting the school's accountability goal. In addition, the Executive Director will oversee the academic and organizational efforts of the Principal. Because of the diverse nature of the Executive Director's responsibilities, a school administration credential will not be required. However, experience working in a charter school setting will be a required qualification. The Board of Directors plans to employ Anthony Anderson on a part-time basis to serve as Executive Director for MBAHS. He has been the Executive Director for MBA middle for the past two years.

PRINCIPAL

The demands of a charter schools require leaders who are energetic, committed, and able to think "outside of the box." Such individuals may or may not have prior administrative experience or administrative credentials. While the Principal of the Memphis Business Academy High School will not be required to hold an administrative credential, he/she must have exemplary experience as a classroom teacher in an urban school. He/she will have experience with innovative curricular models and a sound work history of demonstrated success in achievement of positive educational outcomes. The Principal's academic and experiential background will provide the foundation necessary for this individual's success in dynamic leadership designed to involve students, staff, families and the community in the achievement of established academic outcomes through new and creative methods. The Principal will be the academic leader of the school.

TEACHERS
Core Subjects

The Memphis Business Academy High School will hire five teachers for the 2008-09 school year. Each year for the next three years, the school will add an additional grade level and an additional five teachers. A full-time Special Education teacher will be added in Year II or Year III. Thus, at the start of the 2011-12 school year, the school will reach maximum student capacity

(grades 9-12) and have a teaching staff of 21.

All MBAHS teachers will hold a secondary Tennessee teaching license in their respective subject areas. The teachers will be highly qualified according to No Child Left Behind standards.

MBAHS teachers will be expected to have specific competencies and interests related to the mission of the school. Specifically, all teachers will be expected to integrate business concepts into the core curriculum. Most importantly, teachers must demonstrate a capacity and commitment to work successfully with the target student population.

OFFICE MANAGER

The MBAHS will employ an office manager. The office manager will serve several functions. He/she will maintain up-to-date student records and attendance information, account for all funds collected from students, enter all required data into the MCS system, assist the teachers, ensure that the school has adequate supplies and working facilities, and serve as secretary to the principal. Associate Degree in Business, Accounting, or related field preferred. One to three years of secretarial/clerical experience required. Previous experience with MCS preferred.

CUSTODIAN

The Memphis Business Academy High School will employ a maintenance person to be responsible for the cleaning and up-keep of the building.

OTHER POSITIONS

For the first two years of operation, certain support positions (e.g., curriculum coordinator and special education teacher) will be contracted with consultants on a part-time basis. In addition, the Position of Parent Liaison will be part-time.

All persons who perform services for The Memphis Business Academy High School will be considered "at will" employees of the MBAHS. The MBAHS will select its personnel directly without prior authorization from the District, subject to compliance with all federal state rules and regulations, including, without limitation, requirements concerning the recruitment of applicants and the use of background and criminal checks, unless a specific waiver is obtained.

TEACHER EVALUATION AND STAFF DEVELOPMENT

Teacher evaluation and staff development will be closely linked, as part

of a feedback loop. As with the assessment of students, teacher assessment and evaluation will involve multiple measures including (but not limited to): (1) improvement of student Gateway and End-of-Course scores; (2) classroom observations; (3) written lesson and unit plans; and (4) teacher reflections. The Tennessee Framework for Evaluation and Professional Growth will be used as the basis for the evaluation process. In addition to the Framework, teacher evaluations will include assessment of teacher growth with respect to meeting various aspects of the MBAHS mission. For example, indicators of business integration will be added to lesson observation instruments in order to provide feedback to administrators and teachers on the infusion of business concepts into the curriculum.

The teacher evaluation committee will consist of the Principal, Executive Director, and selected Board members. Teacher assessment will be ongoing, throughout the school year. However, formal review of the multiple measures will take place each spring. The formal review will include review of salary, performance, professional development, individual and group accomplishments in accordance with the mission, strengths, areas for improvement and goals for future development. The employee evaluation process will be designed to foster individual employee growth and to support the mission of the school.

Staff development for teachers will be focused on pedagogical content knowledge, authentic pedagogy, and culturally relevant pedagogy. Teachers will participate in no less than 60 hours of organized staff development per year. Targeted professional development activities will be designed in accordance with the mission of the school and in response to data gathered in the teacher evaluation process.

A significant component of teacher professional development will take place before the start of the school year. The teachers will be involved in professional development and curriculum planning for 11 days prior to the start of school. During this time, they will be involved in a series of activities which include (but are not limited to): (1) presentations by the principal and curriculum coordinator on topics related to curriculum planning and instructional practices; (2) meetings with business persons and leaders from various sectors to develop ideas for the integration of business-related concepts into the curriculum; (3) group work sessions in which the teachers collaboratively develop curriculum guides and pacing guides for the upcoming year and design integrated thematic units and projects related to business; and (4) one-on-one meetings with the curriculum coordinator to further develop the curriculum and pacing guides. Based on our experiences with the MBA Middle School, we have found that these activities

Charter School Application
Section 12 Employee Qualifications

Memphis Business Academy High School

serve a crucial professional development function to both introduce or review ideas related to planning and instruction and provide opportunities for teachers to immediately use these ideas in the outline of their school-year plans. In addition, the collaborative nature of these professional development activities serves to build collegiality and a sense of community for the upcoming school year.

These initial professional development opportunities will be followed throughout the school year with structured learning activities for teachers based upon their needs. In our experiences with the MBA Middle School, we found that the small size of the school staff allowed us to tailor professional development opportunities to the specific needs of the teachers. For example, in the first year of operation, the teachers were provided with professional development on topics related to: classroom management, lesson planning, and TCAP testing and preparation. These topics were selected by the teachers and addressed in bi-weekly professional development sessions provided by an outside consultant who was a former MCS principal. We plan to offer to teachers at MBAHS the same kind of “just-in-time” professional development based on identified needs.

Section 13 – Identify the individuals and entities sponsoring the proposed public charter school, including names and addresses.

Summarize each individual's and entity's relevant experience and qualifications. If you have not already done so under question 8, provide contact information and a resume or organizational description for each individual or entity. Briefly explain how these sponsors will help contribute to your school's mission.

The Memphis Business Academy High School is sponsored by the Memphis Business Academy, Inc., a 501 (C)(3) corporation (see Attachment C). The Board of Directors of the Memphis Business Academy, Inc. has served as both the sponsor and the governing board for the Memphis Business Academy Middle School. As such, the Board of the Memphis Business Academy, Inc. is uniquely positioned to sponsor a high school that builds upon the mission and vision of the Memphis Business Academy Middle School. In addition, the Board of Memphis Business Academy, Inc. has a demonstrated track record of success in the management of a charter school. While the Memphis Business Academy High School will have a separate governing board, the Board of Memphis Business Academy, Inc. will play an active oversight role.

The members of the Board of Directors of Memphis Business Academy, Inc. are listed below (resumes are included in Attachment F):

Shawn Massey, Chair

- **Shawn Thomas, Vice Chair**
- **Celia Rousseau, Secretary/Treasurer**
(Upon approval of the Memphis Business Academy High School charter application, Dr. Rousseau will resign from the Board of Memphis Business Academy, Inc. in order to chair the governing board of MBAHS.)
- **Susan Mullikin**
- **Jeshahnton (Shaun) Essex**
- **Lisa Archer**
- **Shelia Fleming-Hunter**

Although the Sponsoring Board will not be directly involved with the day-to-day operation of MBAHS, the members of the MBA, Inc, Board bring expertise in areas that will contribute to the success of MBAHS.

Shawn Massey, chairman of the Board of MBA, Inc., is experienced in real estate and construction. He has played an integral role in the renovation of the building that will house MBAHS. He has helped to guide the plans through the approval process and has secured funding to support the renovation project.

Shawn Thomas, Vice Chair of the Board of MBA, Inc., brings extensive experience in the banking industry. As a member of the Sponsoring Board, he will serve on the financial advisory committee for the MBAHS Board of Directors and will assist in decisions regarding investments and the deposit of idle funds.

Celia Rousseau has served on the Board of MBA, Inc. since its inception. She wrote much of the initial proposal for MBA Middle School and has been involved with the day-to-day operation of the school. In addition, she has served as the accountant for MBA middle school for the past three years. In this role, she has kept the books and prepared the financial statements and budgets for the school. Her work on behalf of MBA Middle School has saved the school a significant amount of money that would otherwise have been spent on accounting services. She would serve in the same capacity for MBAHS, again saving the school on the cost of an outside accountant.

Susan Mullikin has also served on the Board of MBA, Inc. since its inception. Her expertise in nursing and health management has been a tremendous asset to the MBA Middle School. In fact, she has donated nursing services to the school for the past three years. While she would not serve in the same capacity for MBAHS, she would be involved in the assessment of the students' medical needs and would oversee the process of selecting a nursing provider.

Shaun Essex is a relatively new member of the MBA, Inc. Board. However, he has already been directly involved with the MBA Middle School and its students. In particular, he arranged a fundraiser for MBA Middle in collaboration with employees at Methodist North Hospital. As a member of the Sponsoring Board, he would play a similar role in assisting members of the MBAHS Board with fundraising.

Charter School Application
Section 13, Sponsor Information

Memphis Business Academy High School

Lisa Archer is also a relatively new member of the MBA, Inc. Board. Like Mr. Essex, she has assisted with fundraising efforts for MBA Middle School. In addition, she has many connections with women's organizations in the Memphis area. Her experiences and connections would also offer resources to the Board of MBAHS in the area of fundraising.

Dr. Shelia Fleming-Hunter is also a relatively new member of the MBA, Inc. Board. However, she has already been involved in grant writing and program development on the part of the MBA Middle School. Specifically, she helped to secure a grant to provide after-school tutoring for students from the school and the local Frayser community. Her experiences in youth mentoring programs and community development projects will be important resources for the MBAHS Board.

Although Rev. Anthony Anderson is not currently on the Board of MBA, Inc., he was one of the founding members of the Board and has served as the Principal and Executive Director of the MBA Middle School. As a means to strengthen the financial standing of MBA Middle, Rev. Anderson served as school leader for only \$15,000 per year. He would serve a similar role as Executive Director for MBAHS, again contributing most of his time and taking only minimal compensation.

Section 14 - Describe the procedures governing the deposit and investment of idle funds, purchasing procedures, and comprehensive travel regulations.

Detail the policies and processes regarding the deposit and investment of idle funds. Describe your school's purchasing procedures and identify who will have purchasing authority. (All contracts for goods and services in excess of five thousand dollars (\$5,000) must be bid and approved by the governing body of each public charter school). Provide regulations on travel, including policies regarding reimbursement of travel expenses.

An accounting/record keeping system will be developed to apply spending toward budget items so that everyone is kept abreast of line item balances, and that system will work in accordance to the auditing expectations and legal requirements. Careful attention will be paid to assure that accounting and legal requirements are met. Internal controls will be established to ensure that the school properly accounts for all funds, that they are securely deposited or invested, and that they are used for the purposes intended.

Deposit and Investment of Idle Funds

All funds of MBAHS will be deposited in a FDIC insured financial institution or will be invested in safe, risk-free investments to avoid speculation and the potential loss of capital. These investments can include, but are not limited to, Certificates of Deposits (CDs), treasury securities or municipal bonds, and state or local government securities.

The Board of Directors will be responsible for reviewing the school's financial statements on a regular basis and monitoring cash flow needs. Any money earned from deposits or investments must be used to support the instructional programs.

MBAHS will serve as its own fiscal agent for all public and private grants, funds, and gifts awarded.

Purchasing Procedures

A purchase requisition will be completed for all purchases greater than \$500 and must be approved by the Executive Director or Board Treasurer. A receipt or invoice will be attached to the requisition to confirm receipt of the goods. Requests for goods and services in excess of \$5000 must be approved by the Board, and a minimum of three bids will be obtained before the request is finally approved.

Routine review and management of purchases will be performed by the Executive Director or Board Treasurer. All capital purchases must include a bid process, and long-term contracts will be managed by the Executive Director and subject to the approval of the Board.

Travel Policies

All over night travel by staff or Board members must be approved in advance by the Board. In the case of last minute travel requests, this approval may be obtained via email, fax, phone or other appropriate manner. Travel will only be allowed for purposes that support the school's mission. Travel costs for local student field trips will be approved by the Executive Director.

Section 15 – Provide a plan for the management and administration of the school.

Detail the management and administration plan for the school. Clearly describe and delineate the roles and responsibilities of the school's leader(s), the governing board, and other key personnel. If you have identified specific individuals who will play day-to-day leadership roles in the school, list them. For individuals you have not previously described under questions 8 or 13, provide information about their background and qualifications and attach their resumes.

Management and Administration

The Board of Directors of the Memphis Business Academy High School assumes ultimate authority and accountability for all matters of school governance and administration. The Board ensures that all provisions of the charter, contract and mission are fulfilled in a manner consistent with the spirit and letter of the law. The Board oversees financial management of the school via budget establishment and monitoring; review of audit methods and findings; compliance with principles of sound fiscal management. The Board of Directors has responsibility for evaluating the performance of the Principal and Executive Director. Composition of the Board and resumes for all members are included in other sections of this application and in attachments in the appendix.

The role of the Executive Director is to serve as the liaison between the Board of Directors and the Principal and to serve as the financial officer for the school. Whereas the Board is not involved in the day-to-day operation of the school, the Executive Director will be more closely involved with operational decisions. For example, he/she will disburse and account for all funds, administer all grants, and ensure the smooth operation of the physical plant. The Executive Director will also be responsible for school fundraising and will serve as a liaison with the Memphis City Schools charter school office and the Office of Federal Programs of the State Department of Education. As a liaison between the Board and the school, the Executive Director will also oversee the decisions and actions of the Principal. In most cases, all decisions related to students, academic programs, and personnel will be left to the Principal. However, the Executive Director will monitor these decisions and will have the authority to override the Principal's decisions if they appear to violate the policies or wishes of the Board. The Executive Director will be Anthony Anderson (resume in Attachment G), who is currently serving as Executive Director for MBA Middle. He will be paid a minimal salary (\$15,000) and will donate the rest of his time and effort.

The school program is to be administered by the Principal with the support of Teachers and Office Manager. The Principal serves as an instructional team leader and is responsible for all matters related to students, academic programs, and personnel. In addition, the Principal is also responsible for all accountability reports to be made to the

Memphis City Schools or Tennessee Department of Education (with the exception of those related to fiscal accountability). The Principal communicates and promotes the mission of the school to students, employees, families, consultative entities and the community. The Principal maintains oversight of organizational/management policies and procedures regarding student instruction/development/achievement; schedules; human resources; record- keeping and parent involvement. The Principal reports to the Executive Director on a day-to-day basis and to the Board in its monthly meetings. Further, the Principal builds partnerships with agencies and organizations in the community in order to bring services and enrichment programs to the school. The Principal is to be the primary spokesperson for the school.

Roles and Responsibilities of Other School Personnel

Teachers/Principal – Teachers and the Principal constitute the instructional team. This team carries out vital functions of classroom teaching in the core areas of instruction; maintaining school records and student achievement data base; creating delivery strategies for the established curriculum; and executing the established code of behavior and discipline.

Office Manager- This individual will support the Principal, Executive Director, and Teachers in carrying out the day-to-day functions of the school. Responsibilities include expediting telephone and written communications; documenting student enrollment and daily attendance; ensuring the reporting of all required information to the Memphis City Schools; ensuring maintenance of needed supplies and materials; assisting in supervision of students as directed.

Parent Liaison – The Parent Liaison will coordinate parental involvement at MBAHS. In particular, the responsibilities of the Parent Liaison will include (but not be limited to):
Facilitating communication between parents and the school;
Working with school administrators to keep parents aware of their rights and responsibilities under NCLB;
Developing parental involvement programs (including Executive Dads in Action, MBAHS PTO, and parent service opportunities); and
Coordinating access to community and support services.

On the basis of our experiences with the MBA Middle School, we have found that the Parent Liaison can play a critical role in ensuring that parents have a voice and role in the operation of the school. Through the efforts of the Parent Liaison at MBA Middle, parents have been involved in: fundraisers, event planning and coordination, staffing the office, campus beautification projects, assisting in classrooms, TCAP proctoring, and monitoring of drop-off, lunch, and pick-up times. In addition, parents have met collectively with teachers and

administrators to share their vision for the school. Although we recognize that parents' interactions with schools typically change as students enter high school, the role of the Parent Liaison will be to develop ways for parents to continue to be involved in different ways.

Crisis Intervention/Emergency Management

The specifics of the Crisis Intervention/Emergency Management Plan will be developed upon completion of building renovations, hiring of administrative personnel, and establishment of classroom/office assignments. The plan will include details with regard to:

- Clearly defined staff roles and responsibilities
- Procedures for emergency evacuation, administering first aid, etc.
- Setting up a command post
- Establishing potential staging areas
- Staff and student accounting
- Assembly areas
- Establishing primary and back-up methods for communication

The school administrator will oversee the formation of the Multi-Hazard Emergency Team and serve as the designated leader. The Team will be chosen based upon considerations such as special knowledge or training (first aid, CPR, counseling, second language, etc.) and strategic placements in the building. In addition to the Multi-Hazard Emergency Team, all staff will have a role in the effective implementation of the emergency management plan.

Section 16 – Provide a copy of the proposed by-laws of the governing body of the charter school.

Memphis Business Academy High School Board of Directors
By-laws

Article I
General Provisions

1.1 Name. The name of the governing body shall be the Memphis Business Academy High School Board of Directors.

1.2 Purposes. The purposes of the Board of Directors of the Memphis Business Academy High School shall be set forth in the charter granted by the Tennessee State Board of Education and the Memphis City Schools system and as amended periodically. The Charter is hereby made a part of these By-Laws, and the powers of the Academy and of its Board of Directors, and all matters concerning the conduct and regulation of the affairs of the Academy, shall be subject to such provisions in regard there to, if any as are set forth in the Charter. In the event of any inconsistency between the Charter and these By-Laws, the Charter shall be controlling. All references in these By-Laws to the Charter shall be construed to mean the charter as from time to time amended.

1.3 Location. The Principal office of the Academy shall be located at 2450 Frayser Blvd., Memphis Tennessee 38127. The Directors may change the location of the Principal office provided that no such change shall be effective until the appropriate certificates or other documents are filed with the Tennessee State Board of Education.

1.4 Fiscal Year. Except as from time to time and/or otherwise determined by the Directors of the Academy, the fiscal year of the Academy shall be the same as that of the Memphis City Schools District.

1.5 Seal. The common Seal, and until otherwise ordered and directed by the Board of Directors, shall be an impression upon paper bearing the name of the Academy, the date "2008", and such other device or inscription as the Board of Directors may determine.

Article II
Board of Directors

- 2.1 Board Composition.** The Board will be composed of five to eight members (excluding ex-officio and honorary members) who are representative of the community in which it operates. Members from the business community, education, community organizations, and non-profit organizations will be included. The Board of Directors may include, but will not be limited to a parent/guardian representative, interested members of the community, and the Executive Director. The Executive Director and the parent representative, respectively, shall serve as ex-officio members without power to vote.
- 2.2 Purpose.** The purpose of the Board will be to create vision, develop policy and procedures, establish financial controls, and provide adequate oversight to ensure the mission of the school is accomplished and funds are properly accounted for and effectively spent.
- 2.3 Powers.** The Board of Directors shall oversee the affairs of the Memphis Business Academy High School and shall exercise all of the powers of the Academy, except as otherwise provided by law, by the Charter, or by these By-Laws. The Board of Directors reserves to itself alone the power (i) to purchase or sell real property, (ii) to pledge, assign, create liens on or security interests in the real or personal property of the Academy, (iii) to establish or modify investment policies, (iv) to appoint or remove the school Principal or Executive Director, and (vi) to delegate, from time to time, powers to the Executive Director or Principal in accordance with these By-Laws except as otherwise provided by law or by the Charter.
- 2.4 Term of Office of Directors.** The term of office of Directors shall be three years. Each elected Director shall hold office until such time a Director dies, resigns, is removed, becomes disqualified, or until his or her successor is elected and qualified. Terms of office shall be staggered and each group shall be as nearly equal in number as possible. A Director may serve for two consecutive terms and shall be eligible for reelection to the board after one-year hiatus or at the pleasure of the Board, if longer terms are desired. The term of office of the Executive Director shall correspond with his/her term in that position. The term of office of the faculty representative as a Director shall be two years. The term of office of the parent representative shall be two years.
- 2.5 Election of Directors.** Directors shall be elected by the Board of Directors at any meeting of the Board of Directors. Directors elected to fill an un-expired term shall have tenure only to end of such term.
- 2.6 Resignation and Removal.** Any Director may resign by delivering a written resignation to the Board Chair with a copy to the Executive Director. Such resignation shall be effective upon receipt unless it is specified to be effective at some later time. To facilitate the election of new Directors, the Academy formally encourages any Director intending to

resign or to decline nomination at the end of his/her term, to provide notice of the Director's intent before June. Any Director may be removed from office with or without cause by an affirmative vote of a majority of the Directors.

2.7 Vacancies. A Nominating Committee will be established to assist in filling vacant positions and to assist with the annual officer nomination process. The Nominating Committee will present to the Board the names of potential Board members for approval. Board members are welcome and encouraged to provide names of potential board members to the Nominating Committee. The Nominating Committee will not meet on a regular scheduled basis, but will meet as needed. Any vacancy in the Board of Directors may be filled by vote of a majority of the Board of Directors then in office.

Article III **Meetings of the Directors**

3.1 Open Meeting Law. All meetings of the full Board of Directors shall be conducted in accordance with Tennessee General Laws, as amended from time to time, or any successor statute. Except as otherwise permitted by the law, (i) no quorum of the Board of Directors shall meet in private for the purpose of deciding on or deliberating toward a decision on any matter and (ii) no executive session shall be held until (a) the Board of Directors shall have first convened in an open session for which notice shall have been given in accordance with law, (b) a majority of the Directors at such meeting shall have voted to go into executive session, (c) the vote of each Director shall have been recorded on a roll call vote and entered into the minutes, and (d) the Chair (or other person presiding over the meeting) shall have cited the purpose of the executive session and shall have stated whether or not the Board of Directors shall reconvene after the executive session. Executive sessions may be held only for purposes permitted by Law.

3.2 Regular and Special Meetings. Regular meetings of the Board of Directors will be held monthly. Special meetings may be called by the Chair at any time and shall be called by the Secretary or his or her designee upon a written application of two or more voting members of the Board of Directors. Adequate public notice must be given in order to stay in compliance with the Sunshine Law.

3.3 Meetings. Using Communications Equipment. Unless otherwise provided by law of the Charter, Directors may participate in a meeting of the Board of Directors by means of a conference telephone or similar communications equipment such that all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at a meeting.

3.4 Annual Meeting. The Directors shall meet annually in the month of June at the Principal Office of the Academy or at such place, within or without the state of Tennessee, and at such time as the Board of Directors shall determine, except that such date shall not be a legal holiday. If the annual meeting in place thereof, and any business transacted or elections held at such meeting shall have the same force and effect as if transacted or held at the annual meeting. Notice of the annual meeting setting forth the date, time, and place of any place of any such meeting shall be mailed to all Directors at the Directors' usual or last known business or home address not less than seven (7) days prior to the date of the annual meeting.

3.5 Quorum. A majority of the Directors then in office shall constitute a quorum, but a lesser number may, without further notice, adjourn the meeting to any other time. At any meeting of Directors at which a quorum is present, the vote of a majority of those Directors present shall decide any matter unless the Charter, these By-Laws, or any applicable law requires a different vote.

3.6 Notice of Meetings. Public notice of meetings shall be given as required by law. Notice of the date, time, and place of all regular and special meetings of the Directors shall be given to each Director by the secretary or, in case of the death, absence, incapacity or refusal of the Secretary, by the Chair, or one of the Directors calling the meeting. Such notice shall be given to each Director in person, mail, email., telephone, telegram, facsimile transmissions, or electronic mail sent to such Director's usual or last known contact information at least 7 days in advance, unless shorter notice is adequate under the circumstances. Notice of any meeting of Directors must be given: (i) to any Director who, either before or after the meeting, delivers a written waiver of notice, executed by the Director (or the Director's Attorney unto authorized), which is filled with the records of the meetings; or (ii) to any Director who attends the meeting and who, either prior to the meeting or at its commencement, fails to protest the lack of such a notice, except as required by law. A notice or waiver of notice need not specify the purpose of any regular or special meeting unless such purpose is (i) the amendment or repeal of any provision of the Charter or these By-Laws or (ii) the removal of a Director or an officer, except as otherwise required by law,

the Charter, or these By-Laws.,

Article IV

Officers of the Board

- 4.1 Numbers and qualifications.** The officers of the academy shall be a Chair, Vice Chair, Treasurer/Secretary, and such other officer, if any, as the Board of Directors, may determine.
- 4.2 Election and Tenure.** The Officers shall be elected by the Board of Directors at the annual meeting. Other officers, if any, may be elected by the Board of Directors at any time. The fact that an individual is currently serving in any office shall not create any presumption that such individual shall be nominated for such office in any subsequent year. If the office of Chair, Vice Chair, Treasurer/Secretary becomes vacant, the Directors shall elect a successor. If any other office becomes vacant, the Chair may select a successor. Except as otherwise provided by law, the Charter, or these By-Laws, the Chair and Vice Chair shall hold office until the next annual meeting of the Directors or a special meeting held in lieu thereof, and thereafter until their respective successors are chosen and qualified, unless a shorter term is specified in the vote electing or appointing them.
- 4.3 Resignations and Removal.** Any officer may resign by delivering a written resignation to the Chair with a copy to the Executive Director. Such resignation shall be effective upon receipt unless it is specified to be effective at some later time. Any officer may be removed from office with or without cause by an affirmative vote of a majority of the Directors then in office. An officer may be removed for cause only after reasonable notice and an opportunity to be heard by the Board of Directors.
- 4.4 Chair and Vice Chair.** The Directors shall elect a Chair and Vice Chair of the Board of Directors. The Chair shall preside at all meetings of the Board of Directors. The Chair shall have such other duties and powers, as the Board of Directors or Executive committee shall appoint all standing and special committees for any reason. The Chair may call meetings of the Executive Committee and shall call such meetings at any time at the written request of two members of the Executive Committee. In the absence of the Chair, the Vice Chair may discharge any or all of the duties of the Chair.
- 4.5 Treasurer/Secretary.** Subject to the direction and control of the Board of Directors, the Treasurer/Secretary shall have general oversight of the financial affairs of the Academy, shall provide monthly reports to the Board of Directors on the financial condition and affairs of the Academy, shall oversee all filings required by the State of Tennessee, the Internal Revenue Service, and any other governmental agency. The Treasurer/Secretary shall have other such powers and duties as incident to that office and as may be vested by these By-Laws or by the Directors. The Treasurer/Secretary shall record and maintain records of all proceedings of the Directors in a book or series or books kept for that purpose and shall

give such notices of meetings of Directors as are required by the Charter, these By-Laws, or by law. The Treasurer/Secretary shall distribute to the members of the Board of Directors copies of any minutes of prior meetings for approval. The Treasurer/Secretary shall have such other powers and duties to that office and as may be vested in that office and as by these By-Laws or by the Directors. In the absence of the Treasurer/Secretary from any meeting of Directors, a temporary Treasurer/Secretary designated by the person presiding at the meeting shall perform the duties of the Treasurer/Secretary.

4.6 Other Officers. Other officers shall have such duties and powers as may be designated from time to time by the Directors.

Article V

Committees

5.1 Appointment and Duties. The Board of Directors shall annually appoint such standing and special committees as the Board may deem proper and prescribe their membership, powers, and duties. The Board may appoint such other boards and committees as the Board may deem necessary.

5.2 Ad hoc Committees. The Board of Directors will from time to time convene special ad hoc committees for specific purposes. Such committees will be temporary in nature and limited in the scope of their duties and responsibilities. If the Board deems it necessary, one or more of these ad hoc committees can be designated by the Board to become a Standing Committee.

5.3 Executive Committee. The Executive Committee shall consist of not less than three nor more than six Directors, and may include the Chair, Vice Chair, Treasurer/Secretary, and the Executive Director, ex-officio. The Chair shall be the Chairman of the Executive Committee. A majority of the members of the Executive Committee shall have power to do all things conducive to the welfare of the Academy, which are not delegated to other committees or officers nor contrary to the bylaws or votes of the Board of Directors, or any applicable law. Subject to the foregoing, the Executive Committee may exercise between the meetings of the Board of Directors all the Powers of the Board of Directors except the election of Officers, the selection of Principal or Executive Director, or the amending of the bylaws. The Executive Committee shall make reports of its actions to the Board of Directors.

5.4 Executive Director. The Executive Director may be an ex-officio member of all standing and ad hoc Committees.

Article VI
Compensation and Personal Liability

6.1 Compensation. No Director or Officer shall receive any compensation for services rendered

as a Director or Officer. Notwithstanding the foregoing, any Director or officer may receive reasonable compensation for services rendered as an employee or subcontractor of the Academy and any Director or Officer may, if authorized by the Chair or the Board of Directors, be reimbursed for necessary expenses, including travel expenses, reasonably incurred by the Director or officer. Any Director must make full disclosure to other members of the Board for any compensation received.

Article VII

- 7.1 Executive of Instruments.** All contracts, deeds, leases, bonds, notes, checks, drafts, and other instruments authorized by the Board to be executed by an officer of the Academy on its behalf shall be signed by the Chair, Treasurer or Executive Director, except as the Directors may otherwise determine. Any recordable instrument affecting an interest in real estate, executed in the name of the Academy by the Chair, Treasurer, or Executive Director shall be binding on the Academy in favor of a purchaser of other person relying in good faith on such instrument notwithstanding any inconsistent provisions of the Charter, By-Laws, resolutions or votes of the Academy.
- 7.2 Corporate Records.** The records of all meetings of Directors, the names and addresses of the Directors and officers of the Academy, and the originals or attested copies of the Charter and the By-Laws of the Academy shall be kept in Tennessee at the Principal office of the Academy or of the Treasurer/Secretary, but such corporate records need not all be kept in the same office.
- 7.3 Guarantees and Surety Ship.** The Academy shall make no contracts of guarantee or surety ship.

Article VIII

Amendments

These By-Laws may be altered, amended or repealed, or new By-Laws may be adopted, by an affirmative vote of majority of Directors then in office, at any meeting of the Directors or special meeting of the Directors; provided, however, that notice shall be given in the notice of the meeting that an alteration, amendment or repeal of the By-Laws, or that new By-Laws may be adopted, will be proposed.

Article IX

Indemnification

- 9.1 Generally.** The Academy shall, to the extent legally permissible and only to the extent that the status of the Academy as exempt from federal income taxation under Section 501 (C) (3) of the Code is not affected thereby, indemnify each person who may serve or who has served at any time as a Director, each person who may serve or has served as a Director, officer, employee, or the agent of another organization, against all expenses and liabilities, including without limitation, counsel fees, judgments, fines, excise taxes, penalties and

liabilities, settlement payments, reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit, or proceeding whether civil, criminal, administrative, or investigative in which an indemnified Officer may become involved by reason of serving or having served in such capacity (other than a proceeding voluntarily initiated by such person unless a majority of the full Board of Directors authorized the proceeding), providing, that no indemnification shall be provided to such Indemnified Officer shall have been finally adjudicated in any proceeding (3) to have breached the Indemnified Officer's duty of loyalty to the Academy, (ii) not to have acted in good faith in the reasonable belief that such Indemnified Officer's action was in the best interest of the Academy, (iii) to have engaged in intentional misconduct or a knowing violation of law, or (iv) to have engaged in any transaction from which the Indemnified Officer derived an improper personal benefit. Furthermore, any compromise or settlement payment shall be approved by the Academy in the same manner as provided below for the authorization of indemnification. Any person who at the request of the Academy may serve or has served another organization or any employee benefit plan in one or more of the foregoing capacities and who shall have acted in good faith, in the reasonable belief that his or her action was in the best interests of such organization or in the best interests of the participation or beneficiaries of such employee benefit plan, shall be deemed to have acted in such manner with respect to Academy.

9.2 Advance: Repayment. Such indemnification may, to the extent authorized by the Board of Directors of the Academy, include payment by the Academy of expenses, including attorneys' fees, reasonably incurred in defending a civil or criminal action or proceeding in advance of the final disposition of such action or proceeding, upon receipt of an undertaking by the Indemnified Officer to repay such payment if not entitled to indemnification under this Article, which undertaking may be accepted without regard to the financial ability of such Indemnified Officer to make repayment.

9.3 Authorization. The payment of any indemnification or advance shall be conclusively deemed authorized by the Academy approving such payment shall be wholly protected if:

(i) **Authorization.** The payment has been approved or ratified (1) by a majority vote of the Directors who are not at time parties to the proceeding or (2) by a majority vote of a committee of two or more Directors who are not at that time parties to the proceeding and are selected for this purpose by the full Board (in which selection Directors who are parties may participate); or

(ii) the action is taken in reliance upon the opinion of independent legal counsel (who may be counsel to the Academy) appointed for the purpose by vote of the Directors in the manner specified in clauses (1) or (2) of subparagraph (I) or, if that manner is not possible, appointed by a majority of the Directors then in office; or

(iii) the Directors have otherwise acted in accordance with the standard of conduct applied

to Directors under the Tennessee statutes, as amended from time to time;

(iv) a court having jurisdiction shall approve the payment.

9.4 Heirs, Executors, and Administrators. The indemnification provided hereunder shall incur to the benefit of the heirs, executors, and administrators of any Indemnified Officer entitled to Indemnification hereunder.

9.5 Non-Exclusive Rights. The right of indemnification provided hereunder shall be in addition to and not exclusive of all other rights to which any person may be entitled. Nothing contained in this Article shall affect any rights to indemnification to which Academy employees, agents, Directors, officers, and other persons may be entitled by contract or otherwise under law.

9.6 Adverse Amendments. No amendments or repeal of the provisions of this Article which adversely affect the right of an Indemnified Officer under this Article shall apply to that Indemnified Officer with respect to the acts of omissions of such Indemnified Officer that occurred at any time prior to such amendment or repeal, unless such amendment or repeal was voted for by or was made with the written consent of such Indemnified Officer.

9.7 Employees and Agents. The Academy may indemnify any employee or agent of the Academy to the extent authorized by the Board of Directors by an affirmative vote of a majority of the Directors entitled to vote, to the extent legally permissible and only to the extent that the status of the Academy, as except from federal income taxation under Section 501 c (3) of the code is not affected thereby. The foregoing provisions of the Article shall apply to any indemnification of any employee or agent under this article 10.7.

Section 17 – Include a statement of assurance of liability by the governing body of the charter school.

The Memphis Business Academy High School and the Board of Directors of the Memphis Business Academy High School acknowledge, agree, and warrant that the Board of Education of the Memphis City Schools shall not be liable for any act or omission whatsoever of the Memphis Business Academy High School or its Board of Directors. In the event any person or entity shall seek to include the Board of Education of the Memphis City Schools as liable for any acts or omissions of the Memphis Business Academy High School or of its Board of Directors, both the Memphis Business Academy High School and its Board of Directors shall indemnify and hold harmless the Board of Education of the Memphis City Schools.

Section 18—Detail the types and amounts of insurance coverage to be held either by the charter school or approved by the local board of education, including provisions for assuring that the insurance provider will notify the department of education within 10 days of the cancellation of any insurance it carries on the charter school.

Detail the types and amounts of insurance coverage. Provide contact information of the policy providers and an assurance from the providers that they will notify the department of education appropriately of any cancellations in policies.

The Memphis Business Academy High School will contract with Douglas and Greer Insurance (agent Andy Stogner) to obtain insurance from Indiana Insurance Company. Mr. Stogner has served as the insurance agent for the Memphis Business Academy Middle School and has provided documentation to both the Memphis City Schools and the Tennessee Department of Education regarding the insurance coverage of MBA Middle.

Attachment D is a copy of the current certificate of insurance held by MBA Middle. The Board of MBAHS plans to maintain the relationship with Mr. Stogner and Douglas and Greer.

The school's coverage will include the following:

1. General Liability (\$2,000,000) to include coverage of:
 - Premises and operations
 - Products and completed operations
 - Personal injury – liability and slander
 - Blanket contractual oral and written contracts
 - Medical expenses limit (excluding students) - \$5,000
 - Includes hired and non-owned auto coverage
2. Professional Liability (\$1,000,000) to include coverage related to:
 - Discrimination
 - Sexual harassment
 - Wrongful termination
 - Failure to educate claims
 - Budget dispute claims
3. Sexual Misconduct and Molestation Liability (\$1,000,000) to include coverage of:
 - Vicarious liability arising out of acts of sexual misconduct or molestation
 - Negligent employment, investigation, supervision training or retention of, or failure to report to proper authorities a person who committed and act of sexual conduct or molestation
 - Negligent handling of a complaint resulting from an act of sexual misconduct or molestation.
4. Worker's Compensation

-
- 5. Commercial Umbrella (\$5,000,000)
 - 6. Property (\$150,000)

Section 19 – Describe the plan for transportation for the pupils attending the charter school.

If the proposed charter school elects to provide transportation for its pupils, provide a detailed transportation plan including the types of vehicles that will be used, who will drive them, and what students will be eligible.

Because of the liability and cost involved in providing transportation, at this time, the Memphis Business Academy High School has no plans to provide transportation to and from school. Transportation required for field trips will be obtained through either the Memphis Area Transit Authority or a private transportation company such as Laidlaw.

Section 20 – Provide information regarding financing commitments from equity investors or debt sources for cash or similar liquid assets sufficient to demonstrate that the charter school will have liquid assets sufficiently available to operate the school on an ongoing and sound financial basis. In lieu of cash or similar liquid assets, an applicant may provide a financial bond by a company authorized to issue surety bonds in Tennessee.

It is the goal of the Memphis Business Academy High School Board to operate the school in a fiscally sound manner. Therefore, the board has taken a very conservative approach to the budgeting process and does not plan to incur debt or rely on equity investors for the day-to-day operations of the school. As a Tennessee State charter school, the Memphis Business Academy High School will qualify for funds and/or other applicable assistance that may be available to a public school, and it that funding on which our budget is based. Although we will seek additional funds through grants, corporate sponsorships, in-kind donations, and other financial contributions, we will not become dependant on those funds for the normal operations of the school.

The Memphis Business Academy High School plans to apply to the U.S. Department of Education for start-up funds that are available for new public charter schools.

Section 21 – Provide an accurate and representative description of the facility to house the proposed charter school.

Describe the board's five-year plan for facilities and the progress (to date) in acquiring a high quality facility well in advance of school opening. In possible, provide local address of proposed facility for charter school. Describe the layout and footprint of the facility and how it is suited to meet the education and practical needs of your student body. Include overall sq. footage of property and rationale for choosing this property. Include leasing and/or purchasing arrangements (terms of lease) of the proposed property as well as a detailed description of the organizational status and mission of the owner of the proposed facility property.

The Board of MBAHS plans to lease space (approx. 15,000 sq. feet) from Faith United Methodist Church (2450 Frayser Blvd., Memphis, TN 38127).

The space to be leased will include an educational wing (1st & 2nd floors) of the building. In addition, MBAHS will be able to use the sanctuary (for schoolwide assemblies), fellowship hall (for breakfast and lunch), and classroom space adjacent to the sanctuary. The property is ideal for a small school with a layout that would facilitate grade-level grouping of classrooms. There is a space for an outdoor basketball court and a large field adjacent to the school that will provide adequate room for physical education and after-school sports activities.

Architectural plans for renovation of the building have been drawn up by a local architectural firm, archimania, in anticipation of housing a school in the building. These plans have already received approval from the state code office, and renovation of the space is already under way (see Attachment E for documentation) to bring it "up to code" for a school.

The property was chosen primarily for its location. The mission of MBAHS is to serve students in the Frayser area. The Faith UMC property is ideally situated to fulfill this part of the MBAHS mission. Located on Frayser Blvd., the property is readily accessible to students from all parts of the Frayser area.

Currently, the leasing agreement includes a starting annual rent of \$72,000 per year. In addition, MBAHS would pay a pro-rated share of the utility costs, based upon the average utilities prior to occupancy. The annual rent would increase by \$12,000 per year for the first five years until reaching \$120,000 per year in Year 5. However, the lease agreement could be renegotiated in the event that MBAHS agrees to share part of the cost for renovations.

Faith UMC is a religious organization with a mission to serve the Frayser community.

References

- Boaler, J. (1997). *Experiencing school mathematics: Teaching styles, sex, and setting.* Buckingham, England: Open University Press.
- Bryk, A., Lee, V., & Holland, P. (1993). *Catholic schools and the common good.* Cambridge, MA: Harvard University Press.
- Campbell, P., Bowden, A., Kramer, S., & Yakimowski, M. (2003). *Mathematics: Application and Reasoning Skills (Final Report)*. College Park, MD: University of Maryland.
- Campbell, P., & Langrall, C. (1993). Making equity a reality in classrooms. *Arithmetic Teacher*, 41, 110-113.
- Carpenter, T., Fennema, E., Peterson, P., Chiang, C., & Loef, M. (1989). Using knowledge of children's mathematics thinking in classroom teaching: An experimental study. *American Education Research Journal*, 26, 499-531.
- Darling-Hammond, L. (1997). *The right to learn: A blueprint for creating schools that work.* San Francisco: Jossey-Bass.
- Garet, M., Porter, A., Desimone, L., Birman, B., & Yoon, K. (2001). What makes professional development effective? Results from a national sample of teachers. *American Educational Research Journal*, 38, 915-946.
- Gutierrez, R. (1995). *Beyond tracking: How the practices, beliefs, and cultures of high school mathematics departments influence student advancement.* Unpublished doctoral dissertation, University of Chicago.
- Knapp, M., Shields, P., & Turnbull, B. (1995). Academic challenge in high-poverty classrooms. *Phi Delta Kappan*, 76(10), 770-777.
- Ladson-Billings, G. (1994). *The dreamkeepers.* San Francisco: Jossey-Bass.
- Lee, V., & Smith, J. (1993). Effects of school restructuring on the achievement and engagement of middle-grade students. *Sociology of Education*, 66, 164-187.
- Lee, V., & Smith, J. (1995). Effects of high school restructuring and size on early gains in achievement and engagement. *Sociology of Education*, 68, 241-270.
- Lee, V., & Smith, J. (1996). Collective responsibility for learning and its effects on gains in achievement for early secondary school students. *American Journal of Education*, 104, 103-147.

-
- Lee, V., & Smith, J. (1997). High school size: Which works best and for whom? *Education and Evaluation and Policy Analysis*, 19, 205-227.
- Lee, V., Smith, J., & Croninger, R. (1997). How high school organization influences the equitable distribution of learning in mathematics and science. *Sociology of Education*, 70, 128-150.
- Loucks-Horsley, S., Hewson, P., Love, N., & Stiles, K. (1998). *Designing professional development for teachers of science and mathematics*. Thousand Oaks, CA: Corwin Press.
- MacIver, D., MacIver, M., Balfanz, R., Plank, S., & Ruby, A. (2000). Talent Development Middle Schools: Blueprints and results for a comprehensive whole-school reform model. In M. Sanders (Ed.), *Schooling students placed at risk: Research, policy, and practice in the education of poor and minority adolescents* (pp. 261-288). Mahwah, NJ: Lawrence Erlbaum.
- Malloy, C. (2000). The kids got it and the teachers smiled: A charter fulfills its vision. *High School Journal*, 83(4), 19-23.
- Memphis City Schools. (2003). *Proposed master plan for Memphis City Schools*.
<http://www.mcsk12.net>
- Memphis Debt Collaboratiave. (2004). *Annual Report*.
- Newmann, F., Marks, H., & Gamoran, A. (1996). Authentic pedagogy and student performance. *American Journal of Education*, 104, 280-312.
- Oakes, J. (1985). *Keeping track: How schools structure inequality*. New Haven, CT: Yale University Press.
- Silver, E., Smith, M., & Nelson, B. (1995). The QUASAR project: Equity concerns meet mathematics education reform in the middle school. In W. Secada, E. Fennema, & L. Adajian (Eds.), *New directions for equity in mathematics education* (pp. 9-56). New York: Cambridge University Press.
- Smith, L., Stiff, L., & Petree, M. (2000). Teaching mathematics to the least academically prepared African American students. In M. Strutchens, M. Johnson, & W. Tate (Eds.), *Changing the faces of mathematics: Perspectives on African Americans* (pp. 89-96). Reston, VA: National Council of Teachers of Mathematics.
- Tharp, R., Estrada, P., Dalton, S., & Yamauchi, L. (2000). *Teaching transformed: Achieving excellence, fairness, inclusion, and harmony*. Boulder, CO: Westview Press.
- Thompson, S., & Ransdell, M. (2004). *What are those teachers doing anyway? Dispositions of*

master teachers. Paper presented at the Third Symposium on Educator Dispositions,
Eastern Kentucky University.

U.S. Department of Education. (2004). *Innovations in education: Successful charter schools*.
Washington, D.C.: Author.

